GA1.13:HRD-90-3

United States General Accounting Office

GAO

Report to the Committee on Education and Labor, House of Representatives

COMPLETED 90

November 1989

DISLOCATED WORKERS

Labor-Management Committees Enhance Reemployment Assistance

GAO/HRD-90-3

GAO

United States
General Accounting Office
Washington, D.C. 20548

Human Resources Division

B-223485

November 21, 1989

The Honorable Augustus F. Hawkins
Chairman, Committee on Education and Labor
House of Representatives

The Honorable William F. Goodling
Ranking Minority Member
Committee on Education and Labor
House of Representatives

This report, prepared at your request, contains information on four demonstration projects operating labor-management committees whose purpose was to assist dislocated workers. We found that the use of such committees enhanced the assistance provided to dislocated workers.

We are sending copies of this report to other congressional committees and subcommittees, the Secretary of Labor, and other interested parties. Major contributors to this report are listed in appendix VI.

William J. Gainer
Director, Education and
Employment Issues

Executive Summary

Purpose

Each year nearly a million workers lose their jobs because of business closures and permanent layoffs. Although the chances of finding a new job are improved by reemployment assistance, public and private sector help has reached relatively few.

In 1988, the Congress enacted the Economic Dislocation and Worker Adjustment Assistance Act to improve assistance provided to dislocated workers. Key provisions of this legislation are the establishment of (1) state rapid response teams to offer workers assistance before they are laid off and (2) labor-management committees to facilitate this assistance. However, relatively few states have experience with dislocated worker projects involving labor-management groups.

GAO obtained information on four committees in Idaho, Michigan, New Jersey, and Vermont to assess the influence of the labor-management approach on factors critical to project success and identify practices that enabled the committees to work better. This work was requested by the Chairman and Ranking Minority Member of the House Committee on Education and Labor.

Background

The new legislation, which builds upon lessons learned from the Canadian Industrial Adjustment Service, is based on the premise that worker adjustment assistance should begin before layoff and that assistance is best accomplished by those directly involved in the work-force reduction. Under the new law, committees composed of employer and employee representatives and an independent chairperson help devise and implement a strategy for helping dislocated workers find new jobs.

Results in Brief

Labor-management committees enhanced the ability of the four dislocated worker projects to help workers cope with job loss and find employment. Committees played a key role in achieving four elements critical to the success of such projects. The committees helped

- tailor assistance strategies to meet worker needs through their involvement in project planning, oversight of worker progress, and direct assistance to individual workers;
- facilitate early intervention by informing workers of their reemployment assistance options before layoff;
- coordinate project activities by serving as a focal point for planning and monitoring service delivery and providing a communication link between workers and service providers; and

- support and encourage worker adjustment efforts by establishing on-site assistance centers, maintaining personal contact with workers, and sponsoring other supportive activities.

While each of the four committees had a positive influence on project success, the extent of their contribution in helping the workers varied considerably. The extent of committee contribution appeared linked to two factors: (1) strong state leadership and (2) the committee's composition and sustained involvement after layoff.

GAO's Analysis

Tailoring Assistance to Workers' Needs

Labor-management committees helped plan, implement, and monitor service delivery. In each of the four projects, committees gathered information on worker skills and interests, and then used this information to match jobs and training to individual worker needs. Committees also worked with service providers, such as the Employment Service and educational institutions, to determine when and where services would be offered, and monitored worker participation and their success in finding jobs. When workers encountered problems, committees intervened to expand or add services, speed up worker enrollment in training, or resolve complaints about service quality.

Committees also helped tailor assistance to worker needs by sponsoring orientation sessions and talking to workers to acquaint them with services and promote participation in the project. Committee members told GAO these outreach efforts were very important, because many workers were unclear about how services could help them find a job. Three committees also helped identify jobs that matched worker skills or interests by visiting local employers, advertising in newspapers and on television, and sponsoring job fairs.

Early Intervention

Prompt state involvement appeared to be the most important factor in making assistance available to workers before layoff. For example, in three projects, state officials facilitated early intervention by presenting the committees with alternative strategies for assisting workers, identifying local agencies available to deliver services quickly, and committing funds to support project activities before the committee was established. The importance of the state role was especially evident at the project

where the time between announcement and layoff was short, less than 1 month. Nonetheless, the labor-management committees also contributed to timely intervention by quickly disseminating needed information to workers before layoff.

Coordinated Service Delivery

In three projects, the labor-management committee provided a forum for communication among the numerous local service providers, which helped them reach agreement on outreach, service delivery, and follow-up strategies. Committees also were a communication link with workers. For example, members informed workers of provider services and provided feedback to service providers on worker progress and concerns.

While the fourth committee served as a focal point for the workers, the committee and service providers independently planned and monitored service delivery. This disjointed approach led to duplication of effort and little monitoring of worker participation in project activities.

Support and Encouragement

A cornerstone of each labor-management committee's strategy was personalizing the adjustment process by reaching out to individual workers through regular telephone calls and informal meetings. In addition, three committees offered encouragement through newsletters that responded to questions or concerns voiced by workers and included worker "success" stories. These committees also made it easier for workers to receive assistance by helping establish assistance centers on the company premises. The centers opened before layoff, and two remained open for several months after layoff.

State Leadership

Each of the four projects had a state official assigned to work with the labor-management committee. In three projects, these state officials regularly attended committee meetings and guided committee activities. According to committee members, these officials helped build effective working relationships within the committee and with local service providers by explaining the committee approach, helping sort out their roles and responsibilities, and resolving problems.

In contrast, state involvement at the fourth project was limited. As a result, neither the committee nor service providers clearly understood their role or responsibilities, which led to confusion, misunderstanding, and ill-feelings. Both groups said they would have benefited from better

state guidance. State officials agreed that this experience demonstrated the need for closer state interaction with the committee.

Committee Composition and Sustained Involvement

Three labor-management committees drew their membership from persons employed at the plant who were dislocated workers themselves. Each of these committees started with six members who held varied occupations at the sites—ranging from manager to production worker. In contrast, the fourth committee had four members, but only two had worked at the closed stores. The other two members' involvement was generally limited to attending committee meetings. While the two active members helped workers for many months after the stores closed, this committee's capacity to provide assistance was limited.

Another factor that influenced the level of committee effort was whether committee assistance continued after workers were laid off. Three committees helped workers for many months after layoff. However, one committee disbanded early. Committee members said one of the reasons for disbanding before all the workers were laid off was that several members were unable to continue working on the committee. While some members of the other committees did not participate for the full length of the project, additional workers were recruited to sustain committee membership.

Recommendations

GAO is not making recommendations in this report.

Agency Comments

Labor concurred with our conclusions and observations regarding the ability of labor-management committees to enhance the assistance provided to dislocated workers. Further, they acknowledged the importance of strong state leadership. In addition, Labor noted that under the new dislocated worker assistance legislation, governors have less control over local program resources than in the demonstrations. Labor noted that the success of the labor-management committee approach will rely particularly on effective coordination between the state offices, the committees, and local service providers. (The Labor Department comments are included in app. V.)

Contents

Executive Summary		2
Chapter 1 Introduction		10
	New Act Emphasizes Rapid Response and Labor-Management Committees	11
	Emphasis Modeled After Canadian Assistance Strategy	11
	Labor Demonstration Projects Apply Canadian Strategy in the U.S	12
	Objectives, Scope, and Methodology	13
	Description of the Four Projects Selected for Review	15
	Report Organization	19
Chapter 2 Tailored Assistance Strategies		21
	The Problem: Tailoring Assistance to Meet Varied Needs of Workers Is Complex	22
	Labor-Management Committees Helped Tailor Assistance Strategies to Worker Needs	23
	Committee Outreach and Job Development Helped Individual Workers Identify Options	29
	Observation: State Guidance, Service Provider Cooperation, and Member Involvement Helped Committees Tailor Assistance	32
Chapter 3 Early Intervention		34
	The Problem: Limited Advance Notice Has Historically Hampered Early Intervention	35
	Committees Informed Workers of Assistance Options Before Layoff	36
	Observation: State Rapid Response and Guidance Was Critical to Early Intervention	38
Chapter 4 Coordinated Service Delivery		43
	The Problem: Unnatural Partners Make Coordination Difficult	43
	Committees Facilitated Coordination Among Service Providers	45
	Observation: State Leadership Helped Build Effective Partnerships	47

Chapter 5 Support and Encouragement 52
The Problem: Stress and Denial Divert Worker Attention From Reemployment Assistance 53
Committees Maintained Contact With Workers 54
Newsletters Communicated Success and Opportunity 57
Committees Helped Workers Access Services 59
Observation: Level of Committee Effort Tied to Its Composition and Member Involvement 62

Appendixes
Appendix I: The Idaho Dislocated Worker Project: Participant Information 66
Appendix II: The Michigan Dislocated Worker Project: Participant Information 69
Appendix III: The New Jersey Dislocated Worker Project: Participant Information 72
Appendix IV: The Vermont Dislocated Worker Project: Participant Information 75
Appendix V: Comments From the Department of Labor 78
Appendix VI: Major Contributors to This Report 80

Bibliography 81

Related GAO Products 88

Tables
Table 1.1: Overview of the Four Dislocated Worker Projects 16
Table 2.1: Public and Private Resources That Supported Project 26
Table 2.2: Labor-Management Committee Monitoring Techniques 28
Table 2.3: Labor-Management Committee Job Development Techniques 30
Table 3.1: Estimated Number of U.S. Business Establishments and Employees Covered by the WARN Act 36
Table 4.1: Planning Mechanisms to Improve Coordination: Shared Committee and Service Provider Activities 45
Table 4.2: Operational Mechanisms to Improve Coordination for Workers: Shared Committee and Service Provider Activities 47

Table 4.3: State Actions to Define Roles and Responsibilities 48
Table 4.4: State Technical Guidance and Continued Support 50
Table 5.1: Supportive Activities Sponsored by the Labor-Management Committees 59
Table 5.2: Committee Member Occupations 63
Table I.1: Dislocated Worker Job-Seeking Patterns at the Idaho Project 66
Table I.2: Dislocated Worker Participation at the Idaho Project 66
Table I.3: Characteristics of Idaho Project Participants 66
Table I.4: Idaho Participants' Employment History 67
Table I.5: Idaho Participants' Initial Job Search Assistance Date Relative to Layoff 67
Table I.6: Occupations and Industries in Which Idaho Project Participants Found New Jobs 68
Table II.1: Dislocated Worker Job-Seeking Patterns at the Michigan Project 69
Table II.2: Dislocated Worker Participation at the Michigan Project 69
Table II.3: Characteristics of Michigan Project Participants 69
Table II.4: Michigan Participants' Employment History 70
Table II.5: Michigan Participants' Initial Job Search Assistance Date Relative to Layoff 70
Table II.6: Occupations and Industries in Which Michigan Project Participants Found New Jobs 71
Table III.1: Dislocated Worker Job-Seeking Patterns at the New Jersey Project 72
Table III.2: Dislocated Worker Participation at the New Jersey Project 72
Table III.3: Characteristics of New Jersey Project Participants 72
Table III.4: New Jersey Participants' Employment History 73
Table III.5: New Jersey Participants' Initial Job Search Assistance Date Relative to Layoff 73
Table III.6: Occupations and Industries in Which New Jersey Project Participants Found New Jobs 74
Table IV.1: Dislocated Worker Job-Seeking Patterns at the Vermont Project 75
Table IV.2: Dislocated Worker Participation at the Vermont Project 75

Table IV.3: Characteristics of Vermont Project Participants 75
Table IV.4: Vermont Participants' Employment History 76
Table IV.5: Vermont Participants' Initial Job Search Assistance Date Relative to Layoff 76
Table IV.6: Occupations and Industries in Which Vermont Project Participants Found New Jobs 77

Figures

Figure 2.1: Project Planning Cycle 23
Figure 2.2: The Michigan Labor-Management Committee's Promotional Brochure 31
Figure 3.1: Length of Advance Notice of Layoff Provided by the Four Companies 35
Figure 3.2: Length of Time to Establish the Labor-Management Committee 39
Figure 5.1: Managing Personal Contact With Workers—Number of Dislocated Workers Per Active Committee Member 56
Figure 5.2: A Michigan Labor-Management Committee Newsletter (May 28, 1987) 58
Figure 5.3: Number of Months Labor-Management Committee Operated Relative to Worker Layoffs 64

Abbreviations

CAPCDP	Canadian-American Plant Closing Demonstration Project
CIAS	Canadian Industrial Adjustment Service
EDWAA	Economic Dislocation and Worker Adjustment Assistance Act
ES	Employment Service
GAO	General Accounting Office
JTPA	Job Training Partnership Act
NGA	National Governors' Association
OTA	Office of Technology Assessment
SDA-PIC	service delivery area/private industry council
WARN	Worker Adjustment and Retraining Notification Act

Chapter 1

Introduction

Each year about 1 million U.S. workers lose their jobs because of business closures and permanent layoffs[1] and many face the often-difficult task of finding a new job. These workers come from the mainstream of America's work force and represent virtually every major sector of the economy. They lose their jobs because of structural changes in the economy, shifts in consumer preferences, international competition, and technological advances.

Job loss can have a serious financial and emotional impact on dislocated workers and their families. On average, dislocated workers remain unemployed more than 14 weeks, with an estimated productivity loss of almost $4,500 per worker—a total loss to the U.S. economy of about $9 billion per year.[2] Even when workers find a new job, they may be unable to match previous earnings. For the period 1979 to 1988, about half of the dislocated workers accepted part-time jobs or full-time jobs paying less than their prior job. The economic stresses of job loss take a toll on the mental and physical health of dislocated workers, with prolonged unemployment increasing anxiety, depression, physical ailments, alcoholism, and family strife.[3]

Government, business, and labor officials generally agree that workers dislocated by closures and layoffs often stand a better chance of reemployment if they receive timely assistance in finding a new job. However, public and private sector efforts to help dislocated workers find new jobs have reached only a small portion of these workers. Title III of the Job Training Partnership Act (JTPA), established in 1982 to provide reemployment assistance to dislocated workers, has served at most about 10 percent of the dislocated workers annually. The small percentage of workers assisted has been attributed to limited funding, the long time period usually occurring between layoff and program recruitment, and lack of program awareness. Further, our study of U.S. business closures and permanent layoffs during 1983 and 1984 showed that dislocated workers received limited reemployment assistance from their

[1]U.S. Department of Labor, Bureau of Labor Statistics. BLS Reports on Worker Displacement (1983-1988). USDL 88-611. December 9, 1988. Displaced Workers, 1979-1983. Bulletin 2240. July 1985.

[2]Donald R. Deere and Steven N. Wiggins. Plant Closings, Advance Notice, and Private Contractual Failure. Working Paper 88-39, Texas A&M University, Department of Economics, College Station, Texas. December 1988.

[3]U.S. Office of Technology Assessment. Technology and Structural Unemployment: Reemploying Displaced Adults. OTA-ITE-250. February 1986.

employers.[4] For example, less than a third of the businesses offered their laid-off workers any job placement or counseling to facilitate reemployment.

New Act Emphasizes Rapid Response and Labor-Management Committees

In 1988, two pieces of legislation were enacted to improve the assistance provided to dislocated workers. The first was the Worker Adjustment and Retraining Notification Act (WARN),[5] which requires that, with certain exceptions, employers with at least 100 employees give at least 60 days' advance notice of a plant closing that would affect 50 full-time employees or a 6 month or longer layoff affecting 50 employees comprising at least one-third of their full-time employees, or 500 full-time employees. The second law is the Economic Dislocation and Worker Adjustment Assistance Act (EDWAA),[6] which amends JTPA title III by establishing a new program of dislocated worker training and employment services for dislocated workers. The law authorizes dislocated worker program funding levels up to $980 million for 1989. However, only $284 million was appropriated in fiscal year 1989, and the 1990 budget proposes $400 million for dislocated worker adjustment programs. Significant new provisions in EDWAA (which became effective on July 1, 1989) include the establishment of (1) state rapid response teams to offer workers assistance before layoff and (2) labor and management committees to facilitate this assistance. Also, EDWAA places increased responsibility at the local level for coordinating programs and maintaining service delivery capability.[7]

Emphasis Modeled After Canadian Assistance Strategy

Labor-management involvement and rapid response to worker dislocation are key features of the "Canadian model," used by the Canadian Industrial Adjustment Service (CIAS). In Canada, CIAS officials contact a company shortly after learning that it is planning a layoff or closure, and help establish a joint labor-management committee to assist the workers. The consultive process[8] begins with a CIAS official negotiating a

[4]U.S. General Accounting Office, Plant Closings: Limited Advance Notice and Assistance Provided Dislocated Workers (GAO/HRD-87-105), July 1987.

[5]Public Law 100-379, enacted August 4, 1988.

[6]Public Law 100-418, subtitle D of title VI of the Omnibus Trade and Competitiveness Act of 1988.

[7]Under EDWAA the governors no longer control all dislocated worker funds. Sixty percent of a state's funds are distributed directly to local areas by formula.

[8]EDWAA outlines a similar process for implementation in the United States, with state officials assuming the role of CIAS officials.

formal agreement with the employer, and employee representatives calling for the establishment of a labor-management committee and setting objectives for the development and implementation of a dislocated worker assistance strategy. After the agreement is reached, the employer and employees select an equal number of committee members, and the committee appoints an independent, or neutral, chairperson who is unaffiliated with either party and possesses good interpersonal skills and a knowledge of the local business community. The CIAS official continues to work closely with the committee as an advisor and resource person and provides ready access to government programs. Committee involvement generally begins before layoff and often continues for 6 months to a year afterward.

The Canadian system relies on an integrated public employment and training framework that facilitates access to public resources and voluntary private sector cooperation. However, how agreeable U.S. businesses or labor groups will be to such a cooperative arrangement, or how well the public sector will be able to implement the system, is unknown. While state JTPA title III officials are required to implement the new rapid response strategy, few states have experience with this kind of program. For example, in our earlier work,[9] we found that

- only 26 percent of the JTPA title III projects focused on specific plant closures or layoffs, and most provided "walk-in" assistance for all dislocated workers in a given area;
- only about 2 percent of the projects were operated jointly by labor-management groups; and
- quick service delivery was difficult to achieve because of administrative delays in funding projects.

Labor Demonstration Projects Apply Canadian Strategy in the U.S.

In 1985 the Department of Labor initiated the Canadian-American Plant Closing Demonstration Project (CAPCDP). Under the direction of Labor's Bureau of Labor-Management Relations and Cooperative Programs and the National Governors' Association (NGA), the project had three distinct phases:

1. In March 1986, representatives from 34 states attended a seminar on the Canadian assistance strategy.

[9]GAO/HRD-87-41.

2. In the fall of 1986, officials from nine states visited Canada to observe CIAS committees and administration.

3. In November 1986, Labor and NGA selected six states—Iowa, Michigan, New Jersey, New York, Ohio, and Vermont—to organize 12 labor-management committees.

The stated goal of the projects was to "demonstrate the effectiveness of the labor-management-neutral system for state dislocated workers programs ... patterned along the lines of the Canadian Industrial Adjustment Service, with the addition of several domestic features including job clubs and self-directed job search." To accomplish this, Labor directed states to

- establish in-plant committees to provide adjustment services to workers facing plant closings or layoffs, tailored to meet the needs of the workers, and
- facilitate the operation of the committees through the involvement of a state official who would endeavor to be present at all committee meetings.

Labor emphasized nonbureaucratic early intervention and committee selection of a neutral chairperson. Labor authorized $120,000 for committee operating expenses, about $10,000 for each committee.

As of March 1989, the states had initiated nine CAPCDP projects. Five of these projects—one each in Michigan, New Jersey, and Vermont, and two in Iowa—were started by mid-1987 (before the start of our review). Ohio's two demonstration projects and the second sites for Michigan and New Jersey began in late 1987 or 1988. New York had not initiated any projects, and Vermont had not selected a second site. While the other states selected sites that allowed for committee initiation before worker layoff, the Iowa projects were set up at large plant closings where many of the workers had been laid off before project initiation.

Objectives, Scope, and Methodology

The Chairman and Ranking Minority Member of the House Committee on Education and Labor requested that we review Labor's Canadian-American Plant Closing Demonstration Project and examine (1) the formation, operation, and results of each labor-management committee; (2) funding sources to carry out project activities; and (3) the interaction of the projects with other state activities. The Committee also asked that we report in detail on how each project worked so that lessons

learned from these projects can be used by other projects throughout the United States.

To accomplish this, we reviewed the procedures followed in initiating, planning, and delivering services to the workers at four dislocated worker projects that involved a labor-management committee in the assistance effort. We selected these projects—located in Idaho, Michigan, New Jersey, and Vermont—because they were operating before the beginning of our review, and state officials had initiated them before worker layoffs. Although Idaho was not part of the six-state Labor demonstration project (CAPCDP), Idaho officials participated in phase I of that project and established several labor-management committees in 1987 that were modeled after the Canadian assistance strategy. Labor and National Governors' Association officials maintained regular contact with Idaho state officials and agreed that an Idaho project would provide good insight into labor-management committee activities. In addition, the Idaho project involved a retail business; this provided some variety, because the others were all manufacturing firms.

At each project, we examined available project planning and implementation documents, as well as other descriptive material provided by project officials, and interviewed individuals involved in initiating the project, planning activities, and providing assistance to the workers. The following individuals provided critical information at each site:

- State officials who initiated projects or were responsible for providing technical assistance to labor-management committees.
- Labor-management committee members, including neutral chairpersons.
- Local service provider staff, including those employed by the Employment Service (ES), local educational institutions, community-based organizations, and the JTPA service delivery area/private industry councils (SDA-PIC).[10]

We obtained information on dislocated workers that received assistance through the projects to assess worker participation, service utilization, and their reemployment experiences. This information was obtained through JTPA title III and ES records, Unemployment Insurance records, service provider attendance lists, and labor-management committee documents.

[10]An SDA is an administrative unit established under JTPA. A PIC is the governing body of an SDA.

Prior Research Provides Analytical Framework

To assess the impact of the labor-management committee on the success of the projects, we analyzed each committee's influence on four factors identified through prior research[11] as contributing to the success of dislocated worker projects:

- Assistance tailored to the needs of workers.
- Early intervention.
- Coordination of project activities.
- Continued support and encouragement.

We then performed a cross-case analysis, using these four key factors to look for consistent patterns or sharp contrasts in labor-management committee activities and project management techniques that appeared to enhance the dislocated worker adjustment efforts.

As a part of our work, we visited the projects between November 1987 and July 1988. Our work was conducted in accordance with generally accepted government auditing standards. The views of responsible Department of Labor and state officials were sought during our work and are incorporated where appropriate.

Description of the Four Projects Selected for Review

The four projects included in our analysis had labor-management committees composed of company and employee representatives and a neutral chairperson. Common elements of each committee approach included gathering information to assess worker training needs and interests, identifying jobs available through local employers, maintaining contact with workers, and monitoring their progress in finding new jobs.

These projects offered services typical of other dislocated worker projects and achieved outcomes similar to those of other such projects operated during the period July 1987 through June 1988 (program year 1987). The placement rate for the four projects (78 percent) was 2 percent higher than the average placement rate (76 percent) for other projects. The average hourly placement wage for participants in the four projects ($7.21) was 2.6 percent lower than for other dislocated worker projects ($7.40) during program year 1987. Individual project performance data are listed in table 1.1. A brief description of the four dislocated worker projects included in our analysis follows.

[11]Pertinent research is cited in the report text and listed in the bibliography.

Table 1.1: Overview of the Four Dislocated Worker Projects

	Idaho project	Michigan project	New Jersey project	Vermont project
The facility, the employees, and the local area:				
Location	Pocatello	Greenville	East Rutherford	Windsor
Industry	Retail food stores (2)	Food processing	Medical products mfg.	Shoe products mfg.
Years at location	3 and 20 years	21 years	90 years	50 years
Employment	160	516	274	296
Employee representation	Union	Union	Union	Union
Dominant occupations	Salesclerks	Production	Production	Production
Layoffs began	July 1987	May 1987	May 1987	May 1987
Labor-management committee	July 1987-Mar. 1988	Feb. 1987-Jan. 1988	May 1987-May 1988	Dec. 1986-May 1987
Unemployment rate (1987)	7 percent	10 percent	3 percent	3 percent
Dislocated workers' job-seeking patterns after layoff (number):				
Total laid off	160	516	172	296
Seeking new jobs	110	443	115	245
Project participants	64	312	93	204
Participant characteristics (percent):				
Women	70	66	75	32
Minorities	2	4	35	0
55 years and older	2	8	22	17
Non-high school graduate	14	20	35	25
Service delivery:				
Location	Service provider offices	On-site center	On-site center	On-site center
Time frame	Ongoing	May-Dec. 1987	Apr.-Nov. 1987	Jan.-June 1987
Participation in project activities (percent):				
Job search assistance:	100	100	100	98
Job counseling	58	99	49	72
Job search training	25	57	64	70
Job referrals	77	77	75	28
Training:	44	30	24	49
Classroom, skill	41	14	16	32
On-the-job	3	14	6	18
Remedial	3	4	3	6
Support services	17	15	0	31
Project performance measures:				
Participation rate (percent)	58	70	81	83
Placement rate (percent)	84	82	77	69
Placement wage (mean $/hour)	$5.96	$7.00	$8.39	$7.41
Wage retention (mean percent)	88	84	91	78

The Idaho Project

The Idaho labor-management committee was established to assist 160 workers laid off when two retail food stores closed in the southeastern Idaho city of Pocatello (population 46,300) in late July 1987. Most of the laid-off workers were employed as salesclerks at wages above those for similar occupations in the area. The dislocated workers were mostly women, and many were students that worked part time. The Pocatello area is largely agricultural, and declines in mining and manufacturing hurt the local economy.

The company provided about 3 weeks' advance notice of the store closings, and company and union agreement to establish the project was obtained within a few days of the announcement. The labor-management committee—two store employees, one union official, one corporate manager, and a neutral chairperson—held its first meeting about 2 weeks later. Formal committee meetings were held seven times from July 1987 through March 1988. A state official, as well as local service providers, regularly attended these meetings.

The ES office and the community-based organization, both located in Pocatello, offered the dislocated workers job search assistance, skill training, and support services, including relocation assistance. These services were available before and after the stores closed.

The Michigan Project

The Michigan labor-management committee was formed to assist 516 workers laid off when a food processing plant closed in May 1987. The plant was located in Greenville, a small city (population 8,000) in Michigan's central lower peninsula. Most of the workers were women. Nearly half of the workers were over 35 years of age and had many worked at the facility for 10 years or more. Hourly wages at the plant were generally between $7.00 and $8.00 per hour. Many of the employees worked in low-skill occupations, but a large number were skilled, semi-skilled, and administrative support personnel. Several large plant closings in recent years have hurt the local economy. During 1987, the local unemployment rate was about 10 percent—well above the 6-percent national rate for the same period.

The company gave workers 5 months' advance notice of the closing. In January 1987—about 3 weeks after the closing announcement—state officials met with local management to discuss establishment of a labor-management committee. Local managers were supportive of the idea, but state officials had to secure company headquarters' approval of the project. Company and union approval was obtained in February, and the

labor-management committee held its first meeting that same month. The committee had seven members—three each from labor and management, and a local businessman selected by the committee to serve as chairperson. The committee held about 50 meetings, continuing its activities for over 8 months after the plant closed. State officials regularly attended committee meetings, and service providers submitted worker progress reports at the meetings.

Just before the plant closed, an on-site assistance center began providing counseling, job search assistance, supportive services, and training referrals to the workers. The center was staffed by ES and an educational institution for 7 months, and Unemployment Insurance benefit claims were processed at the center.

The New Jersey Project

The New Jersey labor-management committee was established to help 172 workers dislocated by the partial closing of a medical products manufacturing plant in East Rutherford. Pending layoffs were announced in November 1986, and layoffs began in May 1987 and continued through September of that year. The local area supports a large, diverse, and expanding labor market adjacent to Newark and New York City. However, workers faced difficulties finding similar jobs because most had worked in low-skill assembly positions, and their average wage of about $9.00 an hour was well above wages paid for similar jobs in the area. Most of the workers were women, many were minorities, many were immigrants with limited English proficiency, and many had less than a high school education.

In December 1986, about 1 month after the layoffs were announced, company officials contacted the state to discuss an assistance program for the workers. In January 1987, the company favored establishment of a labor-management committee, but further discussions were suspended until union contract negotiations were completed in March. The union and company then agreed to form the committee, and the first committee meeting was held in early May. The company and union each selected three representatives to serve on the committee, and the state appointed the chairperson. Committee meetings were usually held several times a month from May through October 1987, and some members remained active through May 1988. State officials and a local service provider regularly attended the meetings.

While the first committee meeting was held the same week as the layoffs began, state officials arranged for local ES staff to begin delivering services at an on-site center 2 weeks earlier. Later, the committee refined the state service delivery plan to better meet worker needs. The on-site center operated for 7 months and offered counseling, job search assistance, and referral to a local JTPA service provider for training. The center was staffed by an ES counselor and committee members.

The Vermont Project

The Vermont labor-management committee was formed to help 296 workers laid off when a shoe products manufacturing plant was closed. While some workers remained at the plant through July 1987, most were laid off when the plant closed in early May. The plant was located in the small town of Windsor (population 4,000), near the New Hampshire border. The area unemployment rate has remained low despite significant employment declines in the manufacturing; these job losses have been offset by strong growth in retail and service industries. However, available jobs generally paid well below the dislocated workers' previous wages of $9.00 to $10.00 per hour.

The company announced the plant closure in late October 1986, and within a week, state officials gained company and union agreement to form the labor-management committee. In early December, the union and company each selected three employees to serve on the labor-management committee and identified a local consultant to serve as committee chairperson. The first committee meeting was in December, and periodic meetings were held until the committee disbanded when the plant closed in May 1987. The neutral chairperson continued some activities through June.

Reemployment assistance was available to workers on site from January through June 1987. Staff from two local ES offices, a New Hampshire JTPA SDA-PIC, and the committee chairperson worked at the on-site center for varying lengths of time during this period. After the center closed, assistance was offered through several service provider offices. Assistance available to the workers included job search assistance, occupational skill training, and supportive services, including relocation assistance.

Report Organization

Chapters 2 through 5 of this report present the results of our cross-case analysis of labor-management committee influence on the dislocated worker assistance effort. These chapters present our findings related to

committee contributions to four factors that enhance dislocated worker assistance. Each chapter addresses a separate issue, as follows:

- Tailoring assistance to meet worker needs (ch. 2).
- Providing assistance before layoff (ch. 3).
- Coordinating project activities among local service providers (ch. 4).
- Supporting and encouraging worker reemployment efforts (ch. 5).

Tailored Assistance Strategies

Chapter Summary

The Problem

Reemployment assistance should be tailored to the needs of individual workers. However, planning assistance strategies to accommodate the varied skills and interests of workers is complex.

Findings

Each of the four labor-management committees helped tailor assistance to meet worker needs by

- assessing their critical needs,
- developing plans for delivering services, and
- monitoring service delivery and worker progress.

Committees also helped workers identify options that could meet their specific needs by sponsoring worker orientation sessions, talking to workers, and identifying jobs for workers.

Observation

Committee involvement in project planning and service delivery varied considerably. Factors that enhanced committee contributions included

- guidance and support from state officials,
- service provider cooperation, and
- sufficient committee membership and duration to carry out committee activities.

Dislocated worker reemployment potential is enhanced when projects tailor assistance to the varied skills and interests, and local job opportunities of workers. Tailoring assistance is a two-part process. The first part is planning a general service delivery strategy for all workers. The second part involves helping individual workers identify services that best meet their needs.

At each of the four projects in our analysis, labor-management committees enhanced the project's ability to tailor assistance strategies to meet worker needs through their involvement in early project planning and monitoring worker progress. Committees also helped tailor assistance for individual workers by sponsoring orientation sessions and talking to workers to acquaint them with services and promote participation and by identifying jobs that matched worker skills or interests.

However, the extent of their direction and control over project planning, as well as their direct involvement in these activities, varied considerably. The ability of labor-management committees to tailor assistance to

worker needs was strengthened when (1) state officials provided guidance on effective dislocated worker assistance strategies and available resources, (2) service providers worked willingly with the committee and committees had sufficient authority to influence service delivery decisions, and (3) committee members were available to carry out committee activities.

The Problem: Tailoring Assistance to Meet Varied Needs of Workers Is Complex

Several studies have concluded that effective assistance programs for dislocated workers should offer a range of assistance options and tailor the assistance to meet worker needs.[1] In 1988, the National Commission for Employment Policy underscored the complexity of this process by observing that dislocated workers differ in their needs for immediate income, their desire or ability to take training, and their willingness to relocate. Further, some dislocated workers possess highly marketable skills and have less difficulty finding employment, while others have outmoded skills and may face significant problems becoming reemployed. The National Academy of Sciences reported that 20 to 30 percent of dislocated workers lack basic skills.[2] In addition, some workers may not have searched for a job for many years, and they may lack job search skills and information on the labor market.

To accommodate the varied needs of dislocated workers, projects need to first plan a general assistance strategy. This involves (1) identifying the special problems and assistance needs of the workers they plan to help, (2) developing operational plans to deliver the services to the workers, and (3) monitoring service delivery and adjusting plans as needed. Once the assistance strategy has been developed, projects should help workers optimize the value of the available assistance by helping individual workers identify the services that best meet their specific needs.

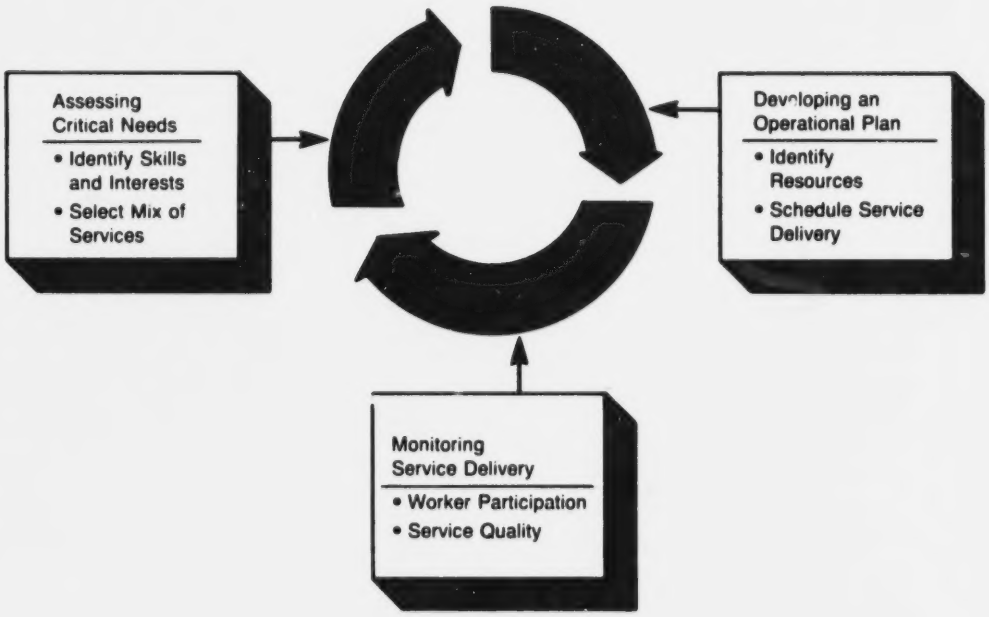
[1]National Commission for Employment Policy. Thirteenth Annual Report of the National Commission for Employment Policy. Report to the President and the Congress of the United States. Report No. 25, July 1988. U.S. General Accounting Office, Plant Closings: Limited Advance Notice and Assistance Provided Dislocated Workers. GAO/HRD-87-105, July 1987. U.S. General Accounting Office, Dislocated Workers: Exemplary Local Projects Under the Job Training Partnership Act. GAO/HRD-87-70BR, April 1987. U.S. Office of Technology Assessment. Technology and Structural Unemployment: Reemploying Displaced Adults. OTA-ITE-250, February 1986. U.S. Department of Labor, Secretary of Labor's Task Force on Economic Adjustment and Worker Dislocation. Economic Adjustment and Worker Dislocation in a Competitive Society. December 1986.

[2]Committee on Science, Engineering, and Public Policy. National Academy of Sciences. National Academy of Engineering. Institute of Medicine. Technology and Employment: Innovation and Growth in the U.S. Economy. 1987.

Labor-Management Committees Helped Tailor Assistance Strategies to Worker Needs

In each of the four projects in our analysis, the labor-management committees helped develop a general assistance strategy tailored to the specific needs of the workers. In accomplishing this, each committee followed a similar pattern (see fig. 2.1), which included assessing workers' needs, developing an operational plan, monitoring service delivery, and adjusting plans as needed. However, the level of committee involvement in project planning varied considerably. Michigan and New Jersey committees were active in directing and monitoring project activities, while the Idaho committee assumed a lower profile. In Vermont, committee efforts to help plan worker assistance were resisted by service providers, and monitoring was cut short when the committee disbanded early.

Figure 2.1: Project Planning Cycle



Each Committee Helped Assess Critical Needs

All four labor-management committees gathered information on worker skills and career interests to better understand their ability to compete in the job market and determine the reemployment services that would best fit their needs and interests. Michigan and Vermont committees

gathered this information through self-administered questionnaires distributed to workers before layoff, and committee members in Idaho and New Jersey conducted personal interviews with their coworkers.[3]

In Vermont and Idaho, the committee surveys showed that many workers were interested in skill training. State officials and local service providers in both states had determined that limited or nontransferable skills would likely be a barrier to worker job search efforts. The committee surveys confirmed that these assessments were consistent with worker interests. To respond to worker needs, these projects emphasized career counseling and aptitude testing to ready workers for vocational training.

The findings of the Michigan and New Jersey committee surveys demonstrated that the needs and interests of some workers may conflict.[4] While vocational or basic skills training would improve job prospects for the unskilled workers or those with less than a high school education, both surveys revealed that some of these workers were not interested in training. Based on this survey information, these projects emphasized counseling and job search assistance. For example, working under the guidance of state officials, the Michigan committee brainstormed the problem and decided that workers needed rigorous assistance to sharpen their job-seeking skills and help them identify scarce job openings, but the project still offered remedial education as well as occupational and on-the-job training.

In New Jersey and Idaho, state officials bolstered committee members' understanding of how closely worker skills and interests matched job opportunities by giving the committee information on growing industries and occupations in the local area. The Vermont committee gathered information on local job opportunities though newspapers, the Employment Service, and contact with local employers. Michigan relied on committee members' knowledge that local employment opportunities were limited.

[3]Idaho initially distributed a written survey, but the facility closed before most workers had returned the survey.

[4]This disparity is not uncommon. According to OTA (Feb. 1986), retraining in new skills or a new occupation is not for everyone and "a minority of displaced workers, perhaps 20 to 30 percent in well-run projects, are likely to choose and to benefit from vocational skills training."

Committees Helped Develop Operational Plans

The Michigan, New Jersey, and Vermont projects offered services through a plant-based assistance center. These centers gave the committees greater opportunity to help assemble local resources and plan service delivery to accommodate workers' schedules and needs. The Michigan, New Jersey, and Vermont labor-management committees also helped assemble local resources and schedule the delivery of services. In Idaho, the committee had a smaller role in planning the delivery of services and did not have an on-site assistance center.

Marshaling Resources

In Idaho, Michigan, and New Jersey, committee meetings were a central point for decisions about allocating project resources, but state officials played the critical role in identifying resources, including staff and funds to deliver services and cover training expenses (see table 2.1). These state officials also identified local service providers, eliminating the committees' burden of sorting through the maze of local organizations available to help workers.

In contrast, the Vermont committee became frustrated trying to identify resources on its own, only to find that state officials had already selected local service providers. According to those involved with the Vermont project, confusion also resulted from questions concerning project eligibility for federal funds.

Table 2.1: Public and Private Resources That Supported Project

	Idaho	Michigan	New Jersey	Vermont
Public resources				
Service providers:[a]				
Employment Service	•	•	•	•
Educational institution	•	•	•	•
Community-based organization	•			
JTPA SDA/PIC		•	•	•
Direct funds:				
JTPA title III	•	•	•	•
Trade adjustment assistance				•
State program		•		
Private resources				
Company contributions:				
Committee members[b]	•	•	•	•
Office space (on-site center)		•	•	•
Administrative support/ supplies		•	•	•
Union contributions:				
Labor representative[c]	•			•

[a]Represents service provider staff members that assisted dislocated workers.

[b]Labor-management committee members' wages or salary while conducting committee business. Some members received partial compensation from JTPA title III funds.

[c]Wages for union officials that served on committees.

Scheduling Service Delivery

The Michigan and New Jersey labor-management committees assumed responsibility for scheduling operations at the on-site assistance centers and prioritizing service delivery. For example, while New Jersey state officials had arranged for service provider staff to work at the on-site center, the labor-management committee expanded the service provider schedule from 2 to 3 days a week. While service provider staff initially concentrated on counseling activities, the committee later expanded on-site assistance to include a job resource center, aptitude testing, and job search training.

Under the guidance of state officials, the Michigan committee negotiated contracts with two local service providers to provide full-time, on-site assistance. These contracts allowed them to implement flexible service delivery techniques. For example, enrollment and job counseling were emphasized for the first few weeks, then job search training classes

began, and later activities concentrated more on job development and skills assessment for workers.

For the Vermont project, the labor-management committee and service providers each met separately to plan operation at the on-site assistance center. Although the final schedule was set by service provider staff, the committee helped organize several activities for the workers. While some committee members expressed dissatisfaction with the scheduling of some services, the assistance offered through the center appeared generally consistent with the committee's plan, both for the service mix and timing.

In Idaho, the committee was not involved in scheduling service delivery. Workers were offered a full range of assistance options through two service provider offices, which they could access during normal business hours.

Committee Monitoring Kept Service Delivery in Tune With Worker Needs

Labor-management committees in Michigan and New Jersey regularly monitored worker progress. Committee members periodically assessed worker participation in project activities and solicited feedback from workers on their job hunting and training experiences (see table 2.2). Using this information, these committees adjusted service delivery and intervened to help resolve workers' problems.

Table 2.2: Labor-Management Committee Monitoring Techniques

Technique	Labor-management committee			
	Idaho	Michigan	New Jersey	Vermont
Talked to workers on the phone or in person	•	•	•	•
Visited on-site assistance center	a	•	•	•
Documented workers that found jobs	•	•	•	•
Documented worker participation in placement assistance		•	•	
Documented worker enrollment in training	•	•	•	•
Reviewed service provider weekly progress reports		•		
Reviewed worker evaluations of service delivery		•		
Observed service providers assisting workers		•	•	•

[a]Not applicable. Idaho did not have an on-site assistance center.

For example, the Michigan committee sponsored a special "golden opportunities" seminar for older workers after noting their low participation in the project. The committee also noted that some workers were experiencing job placement difficulties and brought in a counselor to provide skills assessment and career counseling for them. In addition, through contact with individual workers, the committee identified job referral and training problems and shifted resources to better meet worker needs.

Similarly, the New Jersey committee monitored worker participation in project activities and helped resolve problems. For example:

- When the committee found that workers needed further assistance in finding jobs after the on-site assistance center closed, a committee member continued providing job development and job matching assistance for them.
- When workers were dissatisfied with training at a local school, committee members asked a state official to intervene. The state met with the service provider that was funding the training program, who in turn met with school officials to resolve the problem.
- When a worker was denied classroom training because of limited English proficiency, the committee helped "cut through the red tape"

and get the person into training. The dislocated worker completed the training and found a job earning more than his former wage.

The Vermont labor-management committee monitored worker participation in prelayoff activities, and its efforts led to some service delivery adjustments. However, Vermont's monitoring efforts were cut short when the committee disbanded before all the workers were laid off.

The Idaho labor-management committee followed up on worker progress in finding new jobs, but it did not monitor worker participation in placement assistance, and had less contact with workers after they began training. The reduced committee monitoring may be related to the limited number of active committee members—only two members were available to follow-up on worker progress, compared to six for the other committees. In addition, the committee's close relationship with service providers may have lessened its independence. Service providers were informally considered part of the committee. Committee meetings were held at a service provider office, and provider staff attended every meeting. These problems are consistent with the findings of a 1981 study which noted that committee effectiveness can be hindered by (1) role overload—the extent to which a committee member is capable of meeting multiple expectations; (2) conflicting loyalties—multiple reference groups may affect individual members' behavior; and (3) nonneutral meeting place—location of committee meetings can hinder the flow of communication.[5]

Committee Outreach and Job Development Helped Individual Workers Identify Options

Labor-management committees helped workers identify options that could meet their specific needs. All four committees took on an active outreach role by sponsoring worker orientation sessions and talking to workers. In addition, each committee helped identify job opportunities for workers.

Committee members told us that outreach was important because many workers were unfamiliar with the services that were available. In addition, some workers were uncomfortable seeking assistance or needed an explanation of how the services could help them find a new job. Before layoff, committees also used on-site bulletin boards, employer newsletters, and informal meetings to discuss assistance options with workers.

[5]Gary B. Hansen and Marion T. Bentley, Problems and Solutions in a Plant Shutdown: A Handbook for Community Involvement. Utah Center for Productivity and Quality of Working Life. Utah State University. Logan, Utah. November 1981.

After the workers were laid off, the Michigan and New Jersey committees employed techniques such as newsletters and special mailings to reach out to laid-off workers.

As shown in table 2.3, the committees used several job development techniques to identify local job opportunities for workers. For example, Michigan sent a promotional brochure to local employers to market worker skills (see fig. 2.2).

Table 2.3: Labor-Management Committee Job Development Techniques

	Labor-management committee			
Job development technique	**Idaho**	**Michigan**	**New Jersey**	**Vermont**
Mailed letter or brochure to local employers	•	•	•	•
Canvassed local employers by phone and in person		•	•	•
Advertised workers' skills on local television or in newspapers		•		•
Sponsored a job fair at the plant to bring workers and area employers together		•		•
Matched individual worker skills and interests to specific jobs			•	•

Figure 2.2: The Michigan Labor-Management Committee's Promotional Brochure

The following companies realize that experienced workers can make an important contribution to a company's success and productivity and have hired some of our recently displaced workers
If your organization can use responsible, loyal employees, contact us at the Ore-Ida Foods, Inc., Job Center
1-616-754-4631
As an Employer you want...
Experience & Loyalty
you can count on!
WHO ? Ore-Ida Workers
WHEN ? Now
Available Worker Skills
Ore Ida
Experience Means
Workers Who Have Overall Familiarity With

to adjust service delivery—whether directly or indirectly through state actions on behalf of the committee.

Committee Member Involvement Is Essential

The labor-management committee's influence on project planning and service delivery was enhanced when committees had sufficient membership available to carry out committee activities. Helping plan an assistance strategy, keeping in contact with workers, and helping the workers find new jobs are very time-consuming committee activities[6] that are more than can realistically be handled by only a few committee members. Further, the need for committee involvement extends beyond the date workers are laid off. Committees that continued to help workers after layoff were in a better position to adjust assistance to meet workers' individual needs.

[6]Workforce Reduction Committees: A Labor/Management Approach. Joint publication of the U.S. Department of Labor-Region I, the State of Vermont, and the National Alliance of Business. 1988.

to adjust service delivery—whether directly or indirectly through state actions on behalf of the committee.

Committee Member Involvement Is Essential

The labor-management committee's influence on project planning and service delivery was enhanced when committees had sufficient membership available to carry out committee activities. Helping plan an assistance strategy, keeping in contact with workers, and helping the workers find new jobs are very time-consuming committee activities[6] that are more than can realistically be handled by only a few committee members. Further, the need for committee involvement extends beyond the date workers are laid off. Committees that continued to help workers after layoff were in a better position to adjust assistance to meet workers' individual needs.

[6]Workforce Reduction Committees: A Labor/Management Approach. Joint publication of the U.S. Department of Labor-Region I, the State of Vermont, and the National Alliance of Business. 1988.

Chapter 3

Early Intervention

Chapter Summary

The Problem	Findings	Observation
Reaching workers before layoff increases their chances for prompt reemployment. Historically, however, workers have received limited advance notice of pending layoffs, and agencies providing reemployment assistance have had problems mounting a quick response.	At all four projects, services were available to workers before layoff—even at the project with only 3 weeks' advance layoff notice. The labor-management committees contributed to this timely intervention by •discussing assistance options with workers before layoff, •sponsoring group briefings, and •distributing materials to advise workers of available assistance.	Prompt and persistent guidance by state officials in overcoming potential barriers to early intervention was critical to •getting committees started and •offering workers assistance before layoff.

Helping dislocated workers before layoff increases the likelihood that they will participate in assistance programs, which in turn facilitates their transition to new reemployment. However, past research indicates that limited advance notice of pending layoffs and problems in quickly organizing prelayoff assistance have made it difficult for agencies to help workers before layoff.

While the length of advance notice provided by the four companies in our study varied from 3 weeks to 6 months (see fig. 3.1), workers at each site were informed of their assistance options before layoff and services were available at the time of layoff or earlier. The labor-management committees contributed to this timely intervention by informing workers of assistance options. To accomplish this, committee members met with workers, sponsored group briefings, and distributed materials to advise workers about reemployment assistance. However, quick and persistent state involvement in the projects was a critical factor in (1) establishing the committees and (2) having assistance available to the workers before layoff.

Figure 3.1: Length of Advance Notice of Layoff Provided by the Four Companies

Note: The Idaho company laid off some workers before the stores closed. Length of notice based on when the stores closed.

The Problem: Limited Advance Notice Has Historically Hampered Early Intervention

Dislocated worker studies report that far more workers seek assistance when help is available before or at the time of job loss.[1] Further, these studies suggest that workers who receive assistance get jobs sooner and earn more than they would have without such help. In addition, labor and management can enhance early intervention, and with sufficient time before layoff, they can play a more organized, active, and supportive role in assisting workers.

However, most businesses have given their employees limited advance notice—leaving little time to implement a reemployment assistance program before workers are laid off. In our July 1987 report on advance notice, we reported that more than 80 percent of the nation's larger business establishments that closed or had a large layoff gave their employees less than 30 days' advance notice. The Worker Adjustment and

[1] As reported by GAO/HRD-87-105. U.S. Office of Technology Assessment. Plant Closing: Advance Notice and Rapid Response, September 1986. National Academy of Sciences, National Academy of Engineering, Institute of Medicine, Technology and Employment: Innovation and Growth in the U.S. Economy, 1987.

Retraining Notification Act, enacted in August 1988, requires business establishments with 100 employees to provide at least 60 days' advance notice of a closure affecting at least 50 full-time employees or a 6-month or longer layoff affecting 50 employees comprising one-third of its full-time employees, or 500 full-time employees. However, many workers are employed by small businesses not covered by the legislation (see table 3.1), and advance notice of layoffs by these business establishments is voluntary. Based on past business practices, these businesses are unlikely to provide meaningful advance notice.

Table 3.1: Estimated Number of U.S. Business Establishments and Employees Covered by the WARN Act

Size of establishments	Establishments		Workers	
	Number	Percent	Number	Percent
1-99 employees	5,200,000	98	40,900,000	56
100 or more employees	100,000	2	32,000,000	44

Source: U.S. Department of Commerce, Bureau of the Census, County Business Patterns 1983 United States, September 1985.

Given the importance of early intervention, the effective use of the time between announcement and layoff is critical. However, in the past, dislocated worker projects have had difficulty responding quickly and effectively to plant closings and large layoffs. Factors cited as hindering rapid response include administrative delays in funding projects, lack of information about prelayoff assistance, limited technical assistance, and problems organizing services for workers.[2]

Committees Informed Workers of Assistance Options Before Layoff

OTA has found that informing dislocated workers of their assistance options before layoff builds workers' trust that reemployment assistance will be worthwhile and that help will continue after layoff. Each of the four labor-management committees in our study disseminated information to workers before layoff and sponsored activities to promote early worker participation.

[2]U.S. Office of Technology Assessment. Plant Closing: Advance Notice and Rapid Response. September 1986.

Within 1 week of the first labor-management committee meetings in Michigan and Vermont, members began informing workers of reemployment assistance. Their early communications were general, but over several months the committees provided workers with specific information on when and where assistance would be offered. In addition, the Vermont committee's chairperson opened an office in the plant a few weeks after the first committee meeting and began discussing assistance options with workers. This occurred more than 1 month before service providers were on site to meet with workers individually. The committees used the following techniques to communicate with the workers.

- Group meetings.
- Committee newsletters.
- Company newsletters.
- Plant bulletin boards.
- Informal discussions with workers.

The New Jersey committee's first meeting was held the same week that the first group of workers were laid off. However, the state rapid response team met with these workers and arranged for on-site assistance before the layoffs began.[3] About 3 months later more workers were laid off, and by that time the New Jersey committee had distributed information to these workers—using techniques similar to those used by the Michigan and Vermont committees.

Idaho workers received 3 weeks' advance notice of the store closings, but there was only 1 week between the first committee meeting and the closings. Within that short time, committee members talked to their fellow workers and posted information on the bulletin boards in the stores—materials on the labor-management committee and a flyer on an upcoming information workshop. The workshop, which discussed assistance options available to the workers, was held about a week after the stores closed.

[3]Since 1985, New Jersey has used the Plant Closing Rapid Response Team, with members from the Unemployment Insurance, ES, and JTPA programs as service providers.

Observation: State Rapid Response and Guidance Was Critical to Early Intervention

While each committee in our study was able to help workers before layoff, their experiences demonstrate several potential barriers to getting committees established and providing timely assistance. In our judgment, state involvement instilled a sense of urgency and facilitated prompt action in Idaho, Michigan, and New Jersey. Through quick and persistent state guidance, (1) committees were established in a timely manner and (2) workers were offered assistance before or at the time of layoff. State activities that appeared particularly important included

- promptly presenting the committee with a planning package that helped define and focus its efforts,
- committing funds to the project before the committee was established, and
- identifying local service providers available to assist workers before layoff.

Establishing Committees Required Quick, Persistent State Involvement

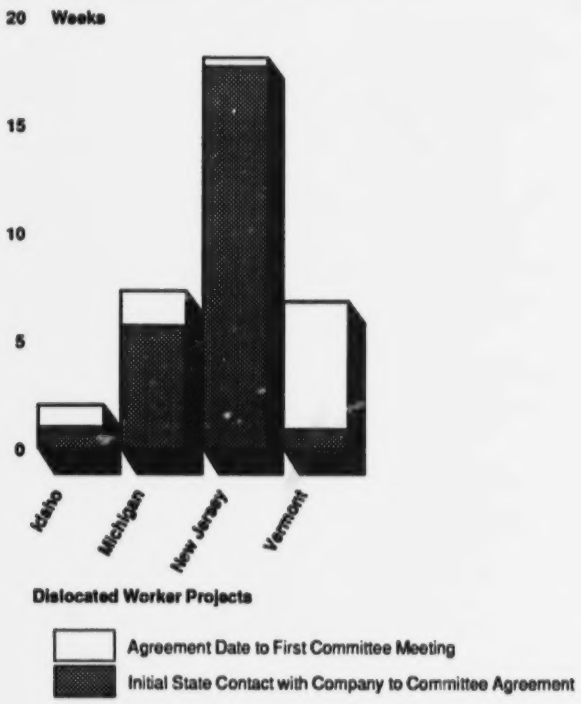
The 1988 Economic Dislocation and Worker Adjustment Assistance Act places full responsibility on state officials to

- work with company and employee representatives to obtain written agreement for establishing a labor-management committee to assist dislocated workers and
- help get the committee started to facilitate timely service delivery.

State officials were faced with obstacles to establishing the committees before layoff—union contract negotiations in New Jersey, need for corporate headquarters approval in Michigan, and limited advance notice in Idaho. However, state officials played a role similar to what was envisioned in the new dislocated worker program and by doing so effectively dealt with the obstacles involved in establishing a committee.

As shown in figure 3.2, the Idaho labor-management committee held its first meeting only 1 week after the state first contacted the company about establishing the labor-management committee. In contrast, getting the committees established at the other three projects took more than three times longer. Vermont and Michigan took about 7 weeks, and over 3 months passed between New Jersey state officials' first contact with the company and the first committee meeting. Our analysis of events that led to the varying project experiences showed that Michigan and New Jersey ran into delays beyond their control. However, state officials' lack of attention to local events contributed to Vermont's delays.

Figure 3.2: Length of Time to Establish the Labor-Management Committee



State Official Established the Idaho Committee in Only 2 Weeks

An Idaho state official contacted both the company and the union within 1 week of the closure announcement. During the same week, a state official gained company and union agreement to form the labor-management committee. Within 1 week after the agreement was reached, the company and union selected their committee representatives and the committee held its first meeting.

Michigan and New Jersey Officials Encountered Delays

State efforts to establish the Michigan labor-management committee were delayed several weeks when local management needed corporate headquarters' approval for the project. To move this process along, state officials accompanied local management to their headquarters to meet with company officials. Michigan officials avoided further delay by committing project funding up front, which soothed company concern about resources. After company agreement was obtained, events moved quickly—the union agreement was secured, committee members were selected, and the first meeting was held in less than 2 weeks.

In New Jersey, a company official contacted the state about 1 month after the layoff announcement to discuss helping the workers. During initial discussions, the company favored establishment of a labor-management committee, but formal agreement was delayed more than 2 months until company-union contract negotiations were completed.[4] This delay was compounded when state officials were unable to resume discussions with the company or union for about a month after the contract settlement was reached. After the state met with company and union officials, about 2 weeks were required to secure a formal agreement, and the first committee meeting was held only a few days later.

Vermont Officials Secured Quick Agreement, but Committee Formation Was Stalled

In Vermont, state officials contacted both the company and the union about the project the same day as the closure announcement and promptly gained company and union agreement to form the labor-management committee. However, state officials did not follow management's and labor's progress in establishing the committee, and almost 6 weeks passed between the date agreement was reached and the first committee meeting. This is more than three times longer than the experiences of the other three projects.

Prompt State Action Facilitated Early Intervention

EDWAA described labor-management committees as being able to "respond flexibly to the needs of affected workers by devising and implementing a strategy for assessing the employment and training needs of each dislocated worker and for obtaining the services and assistance necessary to meet those needs." This is a demanding responsibility for an ad-hoc committee with little, if any, experience with employment and training programs. To help committees carry out these tasks, the act specifically enlists state officials to provide the committee with "technical advice as well as information on sources of assistance, and liaison with other public and private services and programs."

In our judgment, state officials in Idaho, Michigan, and New Jersey provided the kind of support and guidance envisioned under the new dislocated worker program. To accomplish this, these state officials gave committees information on dislocated worker assistance strategies, identified resources to support assistance plans, and directed the committee to local service providers available to assist the workers. In contrast, a

[4]This is consistent with CIAS operations, which suspend labor-management committee activities during contract negotiations.

Vermont state official believed that the "government unit should set up the program and step out of the picture".[5]

Similar Agendas but Contrasting Experiences for Michigan and Vermont Committees

The Michigan and Vermont labor-management committees shared a common approach to planning reemployment assistance for the workers and had about 3 and 4 months, respectively, before the plant closed. Common activities included assessing workers' needs, identifying local agencies available to provide assistance to the workers, and scheduling service delivery. While both committees met their goal of assisting workers before layoff, the Vermont committee's approach was fraught with controversy and misunderstanding. We believe that the steady direction of Michigan state officials played a significant role in their committee's ease of accomplishing a complex set of tasks in a limited time.

Within a month of their first meeting, the Michigan and Vermont committees had each surveyed worker needs and devised plans for helping the workers. In Michigan, a state official attended all meetings and guided committee activities. In contrast, the Vermont committee developed an assistance plan on its own, only to find out about 2 months later that the state had already put together a plan for assisting the workers.

During the process of identifying local agencies to provide assistance, the paths of the two committees began to diverge. While state officials for both projects identified local service providers early, before the committee was formed, only the Michigan state officials brought the committee and providers together soon after the committee was established, which facilitated the committee's quick identification of local resources. With assistance from state officials, the Michigan committee then spent about 1 month meeting with service providers, devising a service delivery strategy, and selecting service providers. On-site assistance was available to the workers about 1 week before the plant closed.

In contrast, when the Vermont committee set out to identify local service providers, it found the state had already selected them. In fact, the providers were already trying to reach agreement among themselves on a service delivery strategy. These providers took about 4 months to figure out what all parties were able or willing to contribute to the project. Those involved in the project attributed delays to awaiting federal funding approval, uncertainty about allowable uses of funds, and sorting out

[5]Testimony of James A. Guest, Secretary, Agency of Development and Community Affairs, State of Vermont, before the House Committee on Education and Labor. "Industrial Adjustment Committee Approach to Worker Dislocation," March 12, 1987.

responsibilities among several local providers. Committee members and state officials agreed that a lack of state direction stymied many of the committee's efforts to get the project underway. Service providers began working on-site about 1 month before the plant closed. However, time was lost dealing with administrative problems.

Idaho and New Jersey Officials Took Charge When Time Was Short

Both the Idaho and New Jersey projects were in a position of having little time between committee formation and worker layoffs. However, in both projects, state officials quickly pulled together local resources to have assistance available to the workers before layoff. Their efforts were made easier by the fact that local service providers had previously arranged agreements to work together cooperatively.

In Idaho, the labor-management committee had 1 week to plan activities before the stores closed. At the first committee meeting, the state industrial adjustment officer presented the committee with a goals and objectives statement and a set of proposed committee activities. This package[6] guided the committee in planning its activities and accelerated committee decision making. The Idaho committee was involved with fewer prelayoff activities than those tackled by the Michigan and Vermont committees, and this also may have quickened the process. For example, service providers had already decided on the assistance that would be available to the workers through local service provider offices, and much of the surveying of workers' skills and interests was accomplished after the stores closed.

As discussed earlier, the New Jersey committee's first meeting was delayed until the same week the first group of workers were laid off. However, just after the state met with company and union officials to gain approval for the project, the state also arranged for local service provider staff to begin helping workers, through an on-site assistance center, about a week before the first layoff.

[6]Michigan officials are also using a committee "Start-up" or planning package to facilitate committee activities. However, a state official said they still have the committee establish its own goals and objectives to gain member acceptance, commitment and foster "committee ownership".

Coordinated Service Delivery

Chapter Summary

The Problem	Findings	Observation
Coordinating efforts of service organizations can broaden assistance options and improve service quality. However, past research indicates that the U.S. generally lacks a coordinated strategy to assist workers.	Committees facilitated coordination among numerous service providers by centralizing •decision making and problem resolution and •communication and service delivery.	State officials enhanced the committees' ability to coordinate dislocated worker assistance by •defining roles and responsibilities and •providing guidance and support.

The new U.S. dislocated worker program emphasizes coordination among diverse groups—labor, management, and government—to accomplish the common goal of helping dislocated workers adjust and find new jobs. Past research indicates that each group can provide critical input toward the development and implementation of dislocated worker assistance projects. However, prior research has also shown that contrasting agendas and conflicting priorities among these groups, compounded by short time frames, can impede coordinated planning and service delivery.

Labor-management committees played a key role in coordinating service delivery for dislocated workers. Committees established partnerships with organizations offering assistance to the workers, becoming a focal point for planning and monitoring service delivery and keeping workers informed about project activities. The committees' ability to coordinate project activities was enhanced when state officials defined roles and responsibilities and provided guidance and support for committee initiatives.

The Problem: Unnatural Partners Make Coordination Difficult

Prior studies indicate that labor, management, and government are generally unaccustomed to working together voluntarily. They are, to a large degree, unnatural partners. Management and labor generally represent opposing viewpoints, which are further polarized in the face of a plant closing or work-force reduction. Management may be reluctant to participate in projects that it believes could add costs, adversely affect

productivity, or sabotage operations. Labor representatives are sometimes reluctant to embrace cooperative initiatives. According to a study commissioned by the Department of Labor,[1] during a period of crisis, when workers are openly expressing their anger and frustration at the company, labor representatives are hesitant to give the appearance of "jumping in bed with the company."

Individual agencies that provide assistance to dislocated workers may also be reluctant to cooperate with one another. Different professional ideologies, conflicting views on client needs, and disinterest make interagency coordination difficult.[2] For example, an evaluation of dislocated worker projects concluded that competition between local agencies, or "turf battles," was an obstacle to a cooperative relationship. The report also noted that company and union officials said that agencies not only were vying for leadership among themselves, but also were unwilling to yield ground to company or union initiatives.

Several other studies have reported that coordinating assistance from local organizations can broaden service delivery options for workers and improve the quality of services offered.[3] However, the United States generally lacks a coordinated strategy to assist dislocated workers.[4] Prior studies have also shown that labor-management committees can provide the needed link between the workers and service providers by serving as the focal point for project planning decisions and disseminating information to workers on the full range of available services.

[1]Ruth H. Fedrau and Kevin P. Balfe. A Case Study Monograph on Labor-Management Worker Adjustment Programs. Draft Submitted to the U.S. Department of Labor, Bureau of Labor-Management Relations and Cooperative Programs. December 10, 1987.

[2]Nancy C. Maron. The Private Industry Council as a System Integrator. Prepared for the U.S. Department of Labor, Employment and Training Administration. August 1987.

[3]Gary B. Hansen. "Institutional Arrangements: Working with Outside Organizations." Excerpt from Managing Plant Closings and Occupational Readjustment: Employers Guidebook. National Center on Occupation Readjustment, Inc. 1984. Michael C. Barth and Fritzie Reisner. Worker Adjustment to Plant Shutdowns and Mass Layoffs: An Analysis of Program Experience and Policy Options. Prepared for the National Alliance of Business. August 1981. A Report of the Job Training Partnership (JTPA) Advisory Committee, Working Capital: JTPA Investments for the 90's, March 1989.

[4]Report of the Secretary of Labor's Task Force on Economic Adjustment and Worker Dislocation. Economic Adjustment and Worker Dislocation in a Competitive Society. December 1986.

Committees Facilitated Coordination Among Service Providers

The Idaho, Michigan, and New Jersey labor-management committees served as a focal point for planning and monitoring the delivery of services to dislocated workers. As discussed in chapter 2, the extent of committee control and direction over project activities varied considerably, but centralized decision making and problem resolution were common denominators at each of these projects. While the Vermont committee served as a focal point for the workers, the committee and local service providers worked independently in planning and monitoring project activities.

Committees Helped Centralize Decision Making

In Idaho, Michigan, and New Jersey, committee meetings frequently included service provider representatives and were a forum for discussing overall service delivery strategies, assessing worker participation in project activities, and resolving identified problems (see table 4.1). For example, during early committee meetings, the Michigan committee met with local service providers to discuss an operational plan for providing services on-site. In New Jersey, the committee and service providers worked together to extend operations at the on-site assistance center by sharing center staffing responsibilities. While the Idaho committee played a minor role in planning service delivery, its meetings were a forum for discussing assistance plans with service providers.

Table 4.1: Planning Mechanisms to Improve Coordination: Shared Committee and Service Provider Activities

	Dislocated worker projects			
Planning mechanisms[a]	Idaho	Michigan	New Jersey	Vermont
Combined planning process	•	•	•	
Regular meetings	•	•	•	
Service delivery monitoring	•	•	•	

[a]As described in two reports: Nancy C. Maron, The Private Industry Council as a System Integrator Prepared for the U.S. Department of Labor, Employment and Training Administration. August 1987. Lawrence Neil Bailis, Study of the Status of PY 85 JTPA Coordination and PY84 JTPA Program Activities. National Commission for Employment Policy. RR #87-26. May 1987.

In contrast, Vermont's labor-management committee and local service providers seldom met. State officials prepared a broad assistance strategy and delegated operational planning to several local service providers. While the committee was mentioned in the state plan, committee members were not included in local planning meetings and were unaware of the state strategy until after they had completed their own service delivery plan. According to a Vermont state official, "for a short while the committee and service providers were operating almost on parallel tracks, without a lot of consultation and communication," and a

lesson learned is that the state employment and training system needs to be heavily involved in committee activities.

This led to confusion and hostility between the committee and local service providers, which went largely unresolved. Comments from committee members, service provider staff, and state officials indicate that this disjointed approach led to duplication of efforts and little monitoring of worker participation in project activities.

The New Jersey and Michigan committees played an active role in monitoring overall worker participation in reemployment activities, meeting directly with local providers to identify problems and make adjustments in service delivery as needed. For example, when the Michigan committee identified a low rate of reemployment among older workers, it asked providers to make a special effort to help these workers. Workers told New Jersey committee members that they were discouraged with training delays; when the committee brought these delays to the providers' attention, the problem was resolved.

The Vermont committee monitored project activities and was effective in resolving some problems; however, state officials and service providers appeared to resist committee intervention in their affairs. For example, the committee chairperson told us that when providers from New Hampshire and Vermont were having "turf" problems, he attempted to meet with these officials to help work out a solution. However, he was told that his involvement was inappropriate. A state official said the turf problem between service providers remained unresolved long after the plant closed.

Committees Centralized Communication and Service Delivery

Each committee centralized communication between the workers and the service providers and sponsored initiatives that improved coordination between local agencies that assisted workers (see table 4.2). Committee members' discussions with both workers and service providers fostered understanding of their shared or divergent needs and concerns. The Idaho, Michigan, and New Jersey committees continued to be a focal point for communication for many months after the workers were laid off. However, when the Vermont committee disbanded early, its ability to serve as a communication link between service providers and dislocated workers was lost.

The Michigan, New Jersey, and Vermont committees also facilitated coordinated service delivery through their on-site worker assistance

center, where service provider staffs were collocated. As shown in table 4.2, this gave workers "one-stop shopping" for intake, assessment, and referral to project activities.

Table 4.2: Operational Mechanisms to Improve Coordination for Workers: Shared Committee and Service Provider Activities

	Dislocated worker projects			
Operational mechanism[a]	Idaho	Michigan	New Jersey	Vermont
Centralized communication	•	•	•	•
Worker referral agreements	•	•	•	•
Centralized intake and assessment		•	•	•
Collocation for service delivery		•	•	•

[a]As described in two reports: Nancy C. Maron, The Private Industry Council as a System Integrator Prepared for the U.S. Department of Labor, Employment and Training Administration, August 1987. Lawrence Neil Bailis, Study of the Status of PY 85 JTPA Coordination and PY84 JTPA Program Activities, National Commission for Employment Policy, RR #87-26, May 1987.

Observation: State Leadership Helped Build Effective Partnerships

Strong and stable leadership can help build consensus among diverse groups by surfacing common interests and helping them focus on common goals and the need for shared responsibilities. The Economic Dislocation and Worker Adjustment Assistance Act requires that state officials assume this leadership role by helping labor-management committees get started and by providing technical guidance and support.

In the Idaho, Michigan, and New Jersey dislocated worker projects, state officials assumed leadership roles, which helped build effective partnerships within the committee and between the committee and local service providers. Key state activities included (1) defining roles and responsibilities to help each group understand what was expected and (2) providing guidance and support for labor-management committee initiatives.

State initiatives that enhanced the committees' ability to coordinate dislocated worker assistance include:

- Explaining the committee role and responsibilities in the project.
- Providing team-building training for committee members.
- Involving the committee members in the selection of their chairperson.
- Promoting interaction between the committee and local service providers.
- Equipping state officials with expert knowledge of dislocated worker service delivery strategies and available resources.

- Designating a state official to be responsible for initiation and oversight of committee activities.
- Encouraging the designated state official to regularly attend committee meetings.
- Providing the designated state officials sufficient authority to resolve service delivery problems.

State Activities Helped Define Roles and Responsibilities

State officials in Idaho, Michigan, and New Jersey worked directly with committee members to ensure their understanding of the committee's role and responsibility in assisting dislocated workers (see table 4.3). According to Michigan and Idaho committee members, these discussions helped them focus discussions and prioritize committee activities.

In contrast, the Vermont labor-management committee was virtually unassisted by the state in understanding its role and responsibilities in the project. According to the Commissioner of Vermont's Department of Employment and Training, the state did a poor job of informing the labor-management committee of its role and objectives. According to the committee's chairperson, the state provided only written material, which he considered insufficient and which led to confusion about the committee's responsibilities. State officials responsible for setting up the project believed that the state should not become intensely involved in the committee process.

Table 4.3: State Actions to Define Roles and Responsibilities

	Dislocated worker projects			
State actions	**Idaho**	**Michigan**	**New Jersey**	**Vermont**
Provided information on the Canadian committees	Yes	Yes	Yes	Yes
Explained committee responsibilities	Yes	Yes	Yes	No
Helped identify neutral chairperson	Yes	Yes	Yes	Yes
Provided team-building training for committee	No	Yes	No	No
Promoted communication between committee and service providers	Yes	Yes	Yes	No

To further assist committee members in understanding their role in the decision-making process, Michigan state officials gave members team-building training. Michigan committee members attributed their good

working relationships and effectiveness as a group, in part, to this training. According to a Michigan committee member, "working relationships between committee members could not have been planned any better". Team-building training is now a Labor-recommended committee activity.

Similar to the labor-management committee approach in Canada, EDWAA outlines an important role for the chairperson "... to oversee and guide the activities of the committee ... [and] provide advice and leadership to the committee ..." In each of the projects, state officials helped identify individuals qualified to serve as the committee's chairperson. However, only Michigan officials involved the committee members in the selection of the chairperson. This was one of the first decisions the committee made as a group, and state officials believed this contributed to the committee's sense of project ownership.

In Idaho and Vermont, state officials conferred with employee representatives, company management, or local service providers about their decision, but chairpersons were selected before labor-management committee formation. While this may work out well in some situations—as it did in Idaho—experiences in New Jersey indicate that committee members would prefer to have a voice in selecting their own chairperson. There were personality conflicts between the chairperson and several committee members. New Jersey now recommends that committees choose the chairperson from a list of qualified individuals.[5]

State officials in Idaho, Michigan, and New Jersey assisted committees and service providers in "sorting out" their roles and responsibilities and encouraging interaction between them. In each of these projects, state officials brought the committee and service providers together shortly after the committees were established. In Michigan, state officials assisted the committee in developing service delivery contracts with local service providers to set expectations for their contribution to the project. The Idaho and New Jersey projects benefited from having service providers that had preestablished agreements to work together.

In Vermont, the committee had limited contact with service providers, and providers were unclear about the committee's role in the project. One service provider staff member said that the committee was "reinventing the wheel"; another said that they had "gone overboard in

[5]This is consistent with EDWAA's neutral chairperson selection procedure, which states that the chairperson shall be jointly selected by the labor and management members of the committee and that state officials shall provide a list of individuals from which the chairperson may be selected.

providing services." Committee members expressed dismay with service providers as well.

State Officials Guided and Supported Committee Initiatives

In Idaho, Michigan, and New Jersey, state officials provided assistance to help guide and support committee involvement in the project (see table 4.4). State officials briefed the committees on dislocated worker assistance strategies and directed them to local service providers that could provide the assistance. For example, state officials in Michigan arranged for local service provider staff to discuss reemployment assistance options with the committee and help it assemble a plan for coordinating service provider activities. The chairperson reported that this state assistance was a key factor to the committee's ability to accomplish this.

Table 4.4: State Technical Guidance and Continued Support

	Dislocated worker projects			
State actions	**Idaho**	**Michigan**	**New Jersey**	**Vermont**
Briefed committee on service delivery strategies	Yes	Yes	Yes	No
Provided information on local service providers	Yes	Yes	Yes	Yes
Designated state official(s) to help committee	Yes	Yes	Yes	Yes
State officials regularly attended committee meetings	Yes	Yes	Yes	No

In Vermont, state officials provided little guidance to the committee. A Vermont state official, responsible for committee activities, said that the state role was to "set up the program and then step out of the picture." The committee's chairperson said the committee was confused and wasted valuable time trying to figure out what assistance was available in the area. According to another state official, "one of our mistakes was explaining the roles of the committee members and then leaving them to their own devices . . . [the committee] spent a lot of time spinning their wheels trying to get started because none of them knew where to go to get information." Several committee members and a local service provider official said they would have benefited from better state guidance.

Idaho, Michigan, and New Jersey designated specific state officials to be responsible for project oversight, and these officials regularly attended committee meetings, helped resolve problems, and monitored committee progress. For example, when the New Jersey committee learned that service providers were having difficulty processing paperwork for the

dislocated workers, state officials helped work out a solution. In contrast, Vermont officials' attendance at labor-management committee meetings was sporadic and often involved different individuals. As a result, state officials were not readily available to help resolve problems or monitor committee progress. In retrospect, a Vermont state official said that the state cannot be as effective when they hear discussions second hand.

In Idaho, Michigan, and New Jersey, the continued state presence gave the labor-management committees sufficient authority to induce voluntary coordination among independent agencies.[6] In Michigan, the state vested the committee with direct authority over two service providers by allowing it to control their funding and set performance standards. However, coordination with other service providers in Michigan, and at the New Jersey and Idaho projects, was accomplished by less direct means. In effect, the state officials worked out informal agreements with service providers on behalf of the committee. These state officials persuaded local service providers to work with the committees—which was particularly beneficial during early planning and when the committees requested service delivery adjustments to better meet worker needs.

[6]According to a 1987 study, The Private Industry Council as a System Integrator a research report prepared by Nancy C. Maron for the Department of Labor, the higher the degree of authority a council (or committee) has over organizations in a service delivery network, the greater the level of interorganizational coordination. The greatest amount of coordination occurs among organizations over which a committee has direct control; next is indirect authority or control over financial resources to encourage coordination; and coordination will likely be lowest among organizations where a committee has no authority over organizations or funding.

Support and Encouragement

Chapter Summary

The Problem	Findings	Observation
Dislocated workers need support and encouragement to help them reduce anxiety and cope with financial as well as personal problems. However, a prior GAO study showed that few workers received such assistance through dislocated worker projects.	Labor-management committees in each of the four projects provided support and encouragement to workers through such activities as •regularly talking to individual workers, •publishing newsletters to communicate success and opportunity, and •helping make services more accessible.	The duration and range of committee support and encouragement varied considerably. Important factors affecting committee activities were members' •familiarity with the workers and •availability to help workers after layoff.

Dislocated workers need support and encouragement to overcome the emotional shock of losing their jobs. Prior research indicates that labor-management committee members' personal acquaintance with affected workers may make it easier for people to share their problems and accept help. This can place committees in a prime position to facilitate worker adjustment efforts.

Each of the four labor-management committees included in our analysis sponsored supportive activities for the dislocated workers. Michigan and New Jersey committee members supported worker adjustment by regularly talking to workers, publishing newsletters, and making services more accessible. While the Vermont committee provided similar assistance, its efforts ended before all the workers were laid off. In Idaho, committee members maintained regular contact with workers for many months, but sponsored fewer supportive activities than the other projects.

The variation in the level of committee effort appeared most affected by the number of committee members available to help workers and their familiarity with the workers. For example, the Idaho committee had only two members that were available to carry out committee activities,

compared to three times that number on the other committees. The Vermont committee disbanded when the plant closed, while the other three committees remained active for many months after layoff. As a result, the Vermont and Idaho committees provided fewer supportive activities.

The Problem: Stress and Denial Divert Worker Attention From Reemployment Assistance

A 1981 handbook for community involvement in helping dislocated workers, by Gary Hansen and Marion Bentley from Utah State University, described the emotional turmoil felt by those who lose their jobs:

"work is an important part of life... a critical component of individual identity and self-esteem. So, when faced with imminent and unexpected unemployment, a person understandably feels depressed and rejected and questions basic competencies, skills, and relationships at home, at work, or in the community."[1]

These feelings of uncertainty and helplessness may cause workers to ignore the need to plan for new employment or delay participation in project activities. Studies have found that providing assistance to reduce anxiety and help workers cope with problems is an essential element of successful dislocated worker projects[2] . However, in 1987 we reported that less than 25 percent of dislocated worker project participants received any form of support services.[3]

For many dislocated workers, ingrained expectations and attitudes toward work may contribute to their denial of the permanency of job loss.[4] Many dislocated workers had been employed with the same company for many years[5] and believed their jobs were secure and often

[1]Gary Hansen and Marion Bentley. Problems and Solutions in a Plant Shutdown: A Handbook for Community Involvement. Utah State University. November 1981.

[2]U.S. General Accounting Office. Dislocated Workers: Exemplary Local Projects Under the Job Training Partnership Act. GAO/HRD-87-70BR. April 1987. U.S. Office of Technology Assessment. Technology and Structural Unemployment: Reemploying Displaced Adults. OTA-ITE-250. February 1986. Gary B. Hansen and Marion Bentley. Problems and Solutions in a Plant Shutdown: A Handbook for Community Involvement. Utah State University. November 1981. Phyllis A. Furdell. "Planning Employee Services During a Work-Force Reduction or Closure". Excerpt from Managing Plant Closings and Occupational Readjustment: Employers Guidebook. National Center on Occupation Readjustment, Inc. 1984.

[3]U.S. General Accounting Office. Dislocated Workers: Local Programs and Outcomes Under the Job Training Partnership Act. GAO/HRD-87-41. March 1987.

[4]Ruth H. Fedrau and Kevin P. Balfe. A Case Study Monograph on Labor-Management Worker Adjustment Programs. Draft submitted to the U.S. Department of Labor, Bureau of Labor-Management Relations and Cooperative Programs. December 10, 1987.

[5]U.S. Department of Labor, Bureau of Labor Statistics. BLS Reports on Worker Displacement. USDL Bulletin 88-611. December 9, 1988.

expected to remain with the same employer until retirement. Further, workers may have difficulty accepting the reality of work-force reductions or closures. They may have experienced layoffs in the past and hold out hope that these layoffs will also be temporary. Increases in production, delays in the layoff or closure schedule, and recalls of laid-off workers may lead to further speculation that management will reconsider the decision to lay off workers or close the facility.

Extended tenure also means dislocated workers are likely to have attained higher wage levels and fringe benefits. When workers permanently lose their jobs, they lose seniority and protection against layoffs with their next employer, group health benefits usually stop and individual health policies cost more, and pension benefits suffer. While temporary loss of income may be offset by unemployment insurance, severance pay, or earnings of other family members, prolonged unemployment may deplete savings and require workers to adjust their standard of living. Problems associated with lost income are compounded because most dislocated workers are older and likely have the additional financial responsibility of supporting a family.

Stress and anxiety associated with job loss and uncertainty about future earnings may cause depression, physical ailments, and family strife. A Conference Board study reported that "psychiatrists consider job loss, death of a family member, and divorce to be three of the most stressful events a person can confront."[6] Psychological insecurity brought on by sudden unemployment often leads to substance abuse and can create serious family tensions, which may in turn result in abuse of spouses and children.

Committees Maintained Contact With Workers

A cornerstone of the labor-management committee strategy is to maintain personal contact with individual workers. According to a 1988 labor-management committee guide,[7] members' support for their fellow workers can help dispel worker anxiety and anger, control rumors, and help individual workers overcome problems. Reaching out to workers personalizes the adjustment process and helps identify problems that may jeopardize a worker's participation in or completion of project

[6]Ronald E. Berenbeim. Company Programs to Ease the Impact of Shutdowns. A research report from the Conference Board. Report No. 878. 1986.

[7]Workforce Reduction Committees: A Labor/Management Approach. Joint publication of the U.S. Department of Labor-Region I, the State of Vermont, and the National Alliance of Business. 1988.

activities. Each of the four labor-management committees in our analysis established communication networks to regularly talk to individual workers. However, only three committees—Idaho, Michigan, and New Jersey—continued their efforts after the workers were laid off.

In Vermont, the committee's chairperson was available to meet with workers at an office in the plant before the plant closed. Labor representatives also met informally with workers and used union steward meetings to surface individual concerns. However, the Vermont committee disbanded when the plant closed, before all of the workers were laid off. While the chairperson kept in touch with some workers, there was no further collective effort to maintain contact with workers after layoff.

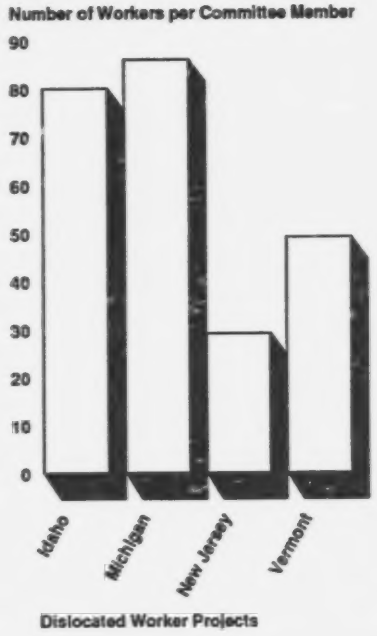
In contrast, the Idaho, Michigan, and New Jersey labor-management committees recognized that the period after layoff is a difficult time for workers. While committee members met with workers before layoff, their intensive efforts to maintain contact with the workers began after layoff and continued for many months afterward. Committee members told us that keeping in touch with workers helped keep spirits up and identify individual problems. To accomplish this, each of the Idaho and New Jersey committee members assumed responsibility for contacting a group of workers. In New Jersey, each of the six committee members was responsible for contacting about 30 coworkers (figure 5.1 shows the worker-to-committee member ratio). In Idaho, two committee members[8] were each responsible for contacting about 80 coworkers.

During the New Jersey committee meetings, members reported their progress in contacting the workers and discussed good news and bad news that had surfaced from their contacts with individual workers. For example, at one committee meeting that we attended, members discussed a worker who told a committee member of transportation problems that would likely delay her job search efforts. Committee members discussed the possibility of this worker sharing a ride with a former coworker who lived nearby. Success stories were also shared, including those who found jobs or who had job interviews scheduled.

The Michigan labor-management committee assumed responsibility for keeping in touch with the more than 500 workers that had been laid off. There were about 80 workers per active committee member, similar to

[8]Two retail stores had closed, and one committee member represented each store.

Figure 5.1: Managing Personal Contact With Workers—Number of Dislocated Workers Per Active Committee Member



the ratio for the Idaho committee. However, one Michigan labor management committee member was designated "volunteer coordinator," and she enlisted the help of other dislocated workers to stay in touch with their coworkers. Volunteers worked several days each week at a "phone bank" at the on-site assistance center.

The Michigan and New Jersey committee members also used the on-site assistance center to meet with workers. New Jersey committee members took turns working at the center a few days each week. In Michigan, center arrangements provided plenty of opportunity for committee members to visit the center. For example, committee meetings were held there, and two members, who had layoff dates much later than other workers, had offices adjacent to center space.

Newsletters Communicated Success and Opportunity

Labor-management committee newsletters were an effective mechanism for providing information to all affected workers before and after their layoff. In Michigan and New Jersey committees regularly[9] sent newsletters to each dislocated worker (see fig. 5.2). Before layoff, newsletters informed workers of upcoming activities, answered their questions and concerns, and provided general information on committee efforts. After layoff, newsletters also included "success" stories in finding new jobs and happy events for former coworkers—marriages and births of children and grandchildren.

Positive stories about worker success encouraged participation and completion of project activities. Newsletters also kept workers' families informed of project activities, so that the supportive environment for participation could extend beyond the committee. A Michigan state official said that a committee member, formerly a fork-lift operator, used a "newly discovered skill to write a factual yet entertaining, bright and bouncy newsletter that provided the employees with a trusted source of information and a factual response to rumors."

The Vermont committee used the company newsletter, issued weekly, to inform workers of upcoming project activities. The Idaho committee did not publish a newsletter, but members told us they wish they had.

[9]Newsletters sent monthly in New Jersey and weekly in Michigan.

Figure 5.2: A Michigan Labor-Management Committee Newsletter (May 28, 1987)

J.A.C.* UPDATE

Mission Statement

The mission of the Greenville Joint Adjustment Committee is to provide a network of services to assist employees in their job search, and provide necessary resources and assistance as needed.

The first two weeks of the Job Center have been very successful. 185 people have signed up for the Center. 19 have signed up for the first set of job club activities. Some have also signed up for the next session. If you are interested in some of the programs but not all, come in and sign up for just the portion that is helpful for you. If you don't see something you're interested in, please feel free to make a suggestion. We're willing to listen. Remember this is your program so "Come In" and see what's going on. The Employment Service has signed up 185 people for their UI benefit registration and job placement services.

The committee has been busy working on getting some social services for employees. We are also in the process of setting up a phone bank in the near future. We will be calling you to update you on Center activities and services.

When you are out taking a ride or just running into town on an errand, stop in to the Job Center to check and see if there is a job posted you are interested in.

Did You Know...

... There are jobs posted in the training center as part of the Job Center and Employment Service job placement services. Come in and see if there is one you've been looking for.

... That the Job Center is an active structured job search program.

... The diameter of the sun is 109 times greater than the diameter of the earth.

... From the Guinness Book of World Records: In a Valentines Day "Big Kiss-Off" for charity, a couple kissed for five days and twelve hours in Florida on February 14-19, 1980.

THANK YOU FOR YOU SUPPORT,

Your Committee

P.S. Long-term workers should be sure to join the Job Center to brush up on interview techniques and job search strategies.

Committees Helped Workers Access Services

Each of the four labor-management committees helped link workers to services that were available to help them through their transition to new employment. Committees accomplished this by holding group briefings or orientation sessions, bringing services to the workers, and sponsoring special seminars or workshops. The level of effort each committee put into this varied considerably (see table 5.1).

Table 5.1: Supportive Activities Sponsored by the Labor-Management Committees

Committee	Activity
Idaho	Group orientation session
Michigan	Group orientation session On-site Unemployment Insurance claims Stress management workshops Personal counseling Financial management seminar Community meetings with financial institutions and law enforcement agencies
New Jersey	Group orientation session On-site Unemployment Insurance claims
Vermont	Group orientation session On-site Unemployment Insurance claims Financial management seminar

All four labor-management committees sponsored group briefings or orientation sessions to inform workers about reemployment assistance offered through the project, as well as give them information on how to access local social service agencies to help them through difficult emotional or financial situations.[10] However, projects timed these sessions a bit differently—Vermont's were held about 2 months before the closing, Michigan and New Jersey meetings were held just before workers were laid off, and Idaho waited until about a week after the stores closed. The Vermont and New Jersey meetings focused more on reemployment assistance than social services. Idaho and Michigan also provided information on stress and financial management and invited family members to attend.

Three committees—in Michigan, New Jersey, and Vermont—were instrumental in arranging on-site Unemployment Insurance benefit registration. In Michigan, where unemployed workers need to be recertified for UI benefits every 2 weeks, the committee arranged for Unemployment Insurance staff to certify workers at the on-site assistance center. According the a state official, this benefited workers because they could

[10]These meetings were separate from meetings sponsored by the company to discuss company benefits to the workers, which were also held at each site.

receive their checks sooner, and had the added benefit of regularly bringing workers into the on-site assistance center.

The Vermont and Michigan labor-management committees sponsored financial management seminars for the workers. The Michigan committee also met with officials from local financial institutions to discuss the possible need for flexible assistance to workers with credit and debt problems.

The Michigan labor-management committee sponsored several other supportive activities to address the specific needs or concerns of the workers. Workers attended stress management seminars on company time before layoff. Supervisors received training on how to respond in a nonjudgmental and supportive manner to stress and anger directed toward them by subordinates. Nonsupervisory employees discussed how to identify and respond to feelings of stress, anxiety, anger, and abusive tendencies. After layoff, a local social service agency provided weekly stress management seminars and individual counseling sessions at the on-site assistance center. The Michigan committee also met with community leaders—representatives from local law enforcement agencies and the courts—to discuss the possible impact of the closing on the community.

Familiar Surroundings Enhanced Supportive Environment

Providing assistance in a comfortable setting, preferably on-site, can enhance project success. Three of the four projects—Michigan, New Jersey, and Vermont—offered services to workers on the company premises. State officials secured company approval for on-site service delivery as part of the company-union agreement to establish a labor-management committee.

The New Jersey and Michigan on-site assistance centers opened less than 2 weeks before layoffs began, but continued operating for many months after workers were laid off. Conversely, Vermont's on-site assistance began several months before layoffs began, but center operations dropped off considerably soon after the plant closed, and the center stopped offering assistance before all workers were laid off.

Michigan and New Jersey assistance centers provided (1) office space for workers to meet privately with job counselors and (2) local job listings and phones for workers to use in scheduling interviews with local employers. In New Jersey, the center was located in a building, separate from the plant, on the company grounds. The Michigan center occupied

an area that was formerly the plant administrative offices and conference rooms. In Vermont, the space set aside for worker assistance was fragmented. Two offices in the plant's administrative area were used for employee counseling sessions, while group training was held in conference rooms or the union hall and the committee chairperson's office was in another area of the plant.

In New Jersey and Vermont, where services were offered while the plant was still operating, it was difficult for workers to access center services. For example, Vermont committee members and a company official told us that service providers established a schedule that made it hard for workers to visit the center. A service provider official told us of similar difficulties, but said that the company was inflexible. To improve access to services at the New Jersey project, the company later allowed workers to visit the center during work hours and the committee extended center operations to five days a week.[11] In contrast, Vermont services became less accessible later in the project—center operations were substantially reduced after the plant closed, workers were directed to seek assistance from the service provider office of their choice, and the center closed about 8 weeks later.

The Michigan on-site center opened only a short time before layoff, but there was ample opportunity for workers to visit the center after layoff. The center remained open 5 days a week, 9 hours a day, for more than 6 months after the plant closed.

In Idaho, reemployment assistance was offered through local offices of the Employment Service and a community-based organization. Workers could visit these offices any time during regular business hours—both before and after layoff. Two committee members told us that some workers were "suspicious" of the Employment Service and that the ES offices had "negative connotations" for many workers, and this may have had an adverse impact on worker participation.[12]

[11] According to a New Jersey committee member, they also waited until September to extend center hours because during the summer months and before layoff, workers were less interested in visiting the center.

[12] This worker perception appeared to be related to concerns about the ES staff members' association with the collocated Unemployment Insurance office.

Observation: Level of Committee Effort Tied to Its Composition and Member Involvement

The labor-management committee approach is built upon the premise that worker adjustment assistance is best accomplished by those affected by the plant closing or layoff.[13] Selecting committee members that are personally acquainted with the workers helps build worker trust, confidence, and acceptance for the assistance effort. Further, a guide to implementing the labor-management approach said that committee members should have a strong sense of commitment for the project and illustrated member commitment as devoting "a great deal of time to activities such as attending committee meetings, making and receiving calls at home, and working long hours."[14]

The Michigan, New Jersey, and Vermont committees drew their membership from persons that had been employed at the plant and were dislocated workers themselves. Each of these committees started with six members who had held varied occupations at the sites—ranging from managers to production workers (see table 5.2). Only one of these members was not scheduled for layoff. In contrast, the Idaho committee had four members, but only two had worked at the closed stores. The other two members were a union official and a manager, and neither were from the local area, nor were their jobs affected by the store closures. Their involvement was generally limited to attending committee meetings. With only two committee members familiar with the workers and available to provide assistance, the capacity of the Idaho committee to assist workers was limited.

[13] "Economic Adjustment and Worker Dislocation in a Competitive Society: Report of the Secretary of Labor's Task Force on Economic Adjustment and Worker Dislocation. December 1986. Federal Register. "Principles to Guide Implementation of the Economic Dislocation and Worker Adjustment Assistance Program." U.S. Department of Labor, Employment and Training Administration. Volume 53, page 34846. September 8, 1988.

[14] "Workforce Reduction Committees: A Labor/Management Approach. Joint publication of U.S. Department of Labor-Region I, the State of Vermont, and the National Alliance of Business. 1988.

Table 5.2: Committee Member Occupations

Committee	Member occupations[a]
Idaho	Deli department clerk Check-out counter attendant
Michigan	Machine operator Warehouse laborer Forklift operator Employee relations manager Purchasing agent Computer analyst
New Jersey	Sonic clean machine operator Production worker Plumber Quality control inspector Supervisor of syringe production Human resource manager
Vermont	Rubber cutter Power house operator Union president Computer programmer Chemist Industrial relations manager

[a]Occupations of original committee members who worked at the site.

Another factor that influenced the level of committee effort was whether committee assistance continued after workers were laid off. Consistent with the Canadian experience, the Idaho, Michigan, and New Jersey committees helped workers for many months after layoff. However, as shown in figure 5.3, the Vermont committee disbanded before all the workers were laid off. Vermont committee members said that they had accomplished what they set out to do—inform workers of their assistance options and get workers ready to receive assistance through local service providers after layoff. They also said that several committee members were already considering new jobs and would have been unable to continue working on the committee.

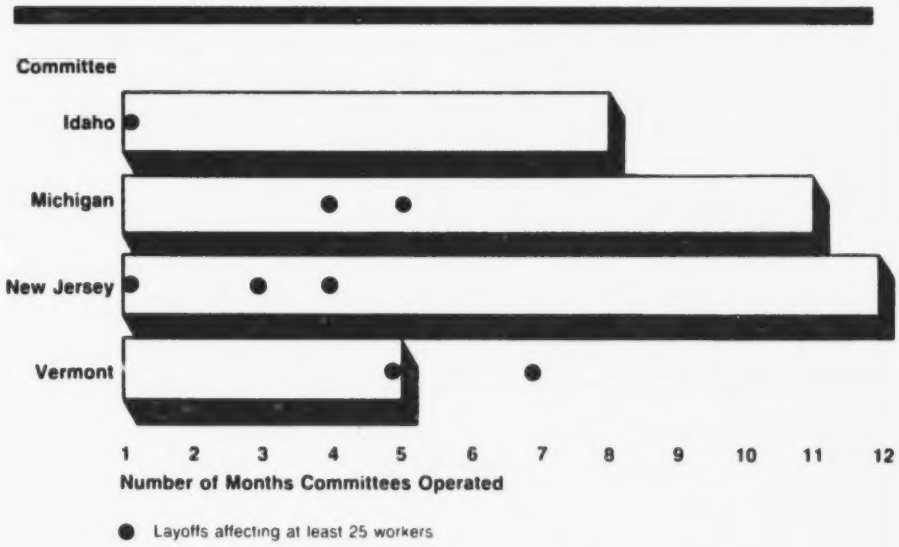


Figure 5.3: Number of Months Labor-Management Committee Operated Relative to Worker Layoffs

Members on the other three committees believed that providing support and encouragement to workers after layoff was an important committee function. These committees also had some original members that left before the committee disbanded. However, these committees established a system whereby new committee members, or alternates, could be brought on to continue committee activities or temporarily fill in for regular members. For example, the Idaho committee replaced one member due to illness. Michigan and New Jersey each had five alternate committee members.

BLANK PAGE

The Idaho Dislocated Worker Project: Participant Information

Table I.1: Dislocated Worker Job-Seeking Patterns at the Idaho Project

	Number	Percent
Dislocated workers seeking new employment	110	69
Dislocated workers not reentering local labor force for project duration due to:		
Retirement	2	1
Moved out of area	7	4
Other reasons[a]	41	26
Total	**160**	**100**

[a]Most of these dislocated workers had been part-time employees and were 18 years old or under, or were full-time college students less than 22 years old.

Table I.2: Dislocated Worker Participation at the Idaho Project

Job seekers that participated in project activities	64 workers
Percent of job seekers that received assistance through the project (participation rate)	58 percent

Table I.3: Characteristics of Idaho Project Participants

Characteristics	Percent
Gender:	
Male	30
Female	70
Race:	**100**
White	98
Minorities	2
	100
Age:	
Under 20	5
20 to 44	90
45 to 54	3
55 and over	2
	100
Educational level:	
Less than high school	14
High school graduate or equivalent	59
Beyond high school	27
	100

Table I.4: Idaho Participants' Employment History

Employment history	Percent
Years with company:	
Less than 3	30
3 to 9	61
10 to 14	9
	100
Hourly wage:	
Less than $6 00	39
$6 00 to $7 99	30
$8 00 to $9 99	21
$10 00 or more	10
	100
Full time/part time:	
Full time (35 hours/week or more)	66
Part time (less than 35 hours/week)	34
	100
Occupations:	
Manager/supervisor/professional	28
Clerical or office worker	8
Sales	47
Semiskilled equipment/machine operator	5
Unskilled labor	12
	100

Table I.5: Idaho Participants' Initial Job Search Assistance Date Relative to Layoff

Assistance relative to layoff date	Percent	Percent
First received assistance before layoff:		10
Less than 7 days	50	
7 to 29 days	50	
	100	
First received assistance after layoff:		90
Less than 7 days	13	
7 to 29 days	44	
Between 30 and 59 days	18	
More than 59 days	25	
	100	**100**

Table I.6: Occupations and Industries in Which Idaho Project Participants Found New Jobs

	Percent
Occupations	
Manager/supervisor/professional	12
Sales worker	44
Clerical or office worker	9
Skilled trades	3
Semiskilled equipment/machine operators	16
Unskilled labor	16
	100
Industries	
Manufacturing	8
Construction	2
Other goods producers	2
Wholesale trade	2
Retail trade	60
Transportation/public utilities	8
Finance/insurance/real estate	10
Professional services	8
	100

The Michigan Dislocated Worker Project: Participant Information

Table II.1: Dislocated Worker Job-Seeking Patterns at the Michigan Project

	Number	Percent[a]
Dislocated workers seeking new employment	443	86
Dislocated workers not reentering local labor force for project duration due to:		
Retirement	42	8
Disability	7	1
Moved out of area	17	4
Other reasons	7	1
Total	**516**	**100**

[a]Some percentages adjusted due to rounding error.

Table II.2: Dislocated Worker Participation at the Michigan Project

Job seekers that participated in project activities	312 workers
Percent of job seekers that received assistance through the project (participation rate)	70 percent

Table II.3: Characteristics of Michigan Project Participants

Characteristics	Percent
Gender:	
Male	34
Female	66
	100
Race:	
White	96
Minorities	4
	100
Age:	
Under 20	1
20 to 44	75
45 to 54	16
55 and over	8
	100
Educational level:	
Less than high school	20
High school graduate or equivalent	63
Education beyond high school	17
	100

Table II.4: Michigan Participants' Employment History

Employment history	Percent
Years with company:	
Less than 3	12
3 to 9	39
10 to 14	27
15 or more	22
	100
Hourly wage:	
Less than $6.00	2
$6.00 to $7.99	57
$8.00 to $9.99	28
$10.00 or more	13
	100
Full time/part time:	
Full time (35 hours/week or more)	97
Part time (less than 35 hours/week)	3
	100
Occupations:	
Manager/supervisor/professional/technicians	4
Clerical or office worker	3
Service worker	2
Skilled trades	4
Semiskilled equipment/machine operator	32
Unskilled labor	55
	100

Table II.5: Michigan Participants' Initial Job Search Assistance Date Relative to Layoff

Assistance relative to layoff date	Percent	Percent
First received assistance before layoff:		57
Less than 7 days	60	
7 to 29 days	27	
More than 29 days	13	
	100	
First received assistance after layoff:		43
Less than 7 days	21	
7 to 29 days	33	
Between 30 and 59 days	15	
More than 59 days	31	
	100	**100**

Table II.6: Occupations and Industries in Which Michigan Project Participants Found New Jobs

	Percent
Occupations	
Manager/supervisor	2
Technical (paraprofessional technician)	1
Sales worker	5
Clerical or office worker	8
Service worker	11
Skilled trades	4
Semiskilled equipment/machine operators	19
Unskilled labor	47
Self-employed	3
	100
Industries	
Manufacturing	55
Construction	2
Other goods producers	10
Wholesale trade	4
Retail trade	12
Transportation/public utilities	4
Finance/insurance/real estate	1
Professional services	3
Consumer/personal services	5
Self-employed (industry unknown)	3
State/local/federal government	1
	100

The New Jersey Dislocated Worker Project: Participant Information

Table III.1: Dislocated Worker Job-Seeking Patterns at the New Jersey Project

	Number	Percent
Dislocated workers seeking new employment	115	67
Dislocated workers not reentering local labor force for project duration due to		
Retirement	42	24
Disability	1	1
Moved out of area	5	3
Other reasons	9	5
Total	**172**	**100**

Table III.2: Dislocated Worker Participation at the New Jersey Project

Job seekers that participated in project activities	93 workers
Percent of job seekers that received assistance through the project (participation rate)	81 percent

Table III.3: Characteristics of New Jersey Project Participants

Characteristics	Percent
Gender:	
Male	25
Female	75
	100
Race:	
White	65
Minorities	35
	100
Age:	
20 to 44	56
45 to 54	22
55 and over	22
	100
Educational level:	
Less than high school	35
High school graduate or equivalent	52
Education beyond high school	13
	100

Table III.4: New Jersey Participants' Employment History

Employment history	Percent
Years with company:	
Less than 3	33
3 to 9	31
10 to 14	21
15 or more	15
	100
Hourly wage:	
Less than $6 00	7
$6 00 to $7 99	5
$8 00 to $9 99	73
$10 00 or more	15
	100
Full time/part time:	
Full time (35 hours/week or more)	100
Occupations:	
Manager/supervisor/technicians	5
Semiskilled equipment/machine operator	49
Unskilled labor	46
	100

Table III.5: New Jersey Participants' Initial Job Search Assistance Date Relative to Layoff

Assistance relative to layoff date	Percent	Percent
First received assistance before layoff:		23
Less than 7 days	33	
7 to 29 days	29	
More than 29 days	38	
	100	
First received assistance after layoff:		77
Less than 7 days	10	
7 to 29 days	31	
Between 30 and 59 days	29	
More than 59 days	30	
	100	**100**

Table III.6: Occupations and Industries in Which New Jersey Project Participants Found New Jobs

	Percent
Occupations	
Manager/supervisor/professional	11
Sales worker	2
Clerical or office worker	18
Service worker	6
Skilled trades	2
Semiskilled equipment/machine operators	37
Unskilled labor	22
Self-employed	2
	100
Industries	
Manufacturing	62
Wholesale trade	1
Retail trade	13
Transportation/public utilities	6
Finance/insurance/real estate	3
Professional services	4
Consumer/personal services	1
State/local/federal government	1
Reemployed by site company	9
	100

The Vermont Dislocated Worker Project: Participant Information

Table IV.1: Dislocated Worker Job-Seeking Patterns at the Vermont Project

	Number	Percent[a]
Dislocated workers seeking new employment	245	83
Dislocated workers not reentering local labor force for project duration due to		
Retirement	25	8
Disability	9	3
Moved out of area	11	4
Other reasons	6	2
Total	**296**	**100**

[a]Some percentages adjusted due to rounding error

Table IV.2: Dislocated Worker Participation at the Vermont Project

Job seekers that participated in project activities	204 workers
Percent of job seekers that received assistance through the project (participation rate)	83 percent

Table IV.3: Characteristics of Vermont Project Participants

Characteristics	Percent
Gender:	
Male	68
Female	32
	100
Race:	
White	100
Age:	
20 to 44	53
45 to 54	30
55 and over	17
	100
Educational level:	
Less than high school	25
High school graduate or equivalent	59
Education beyond high school	16
	100

Table IV.4: Vermont Participants' Employment History

Employment history	Percent
Years with company:	
Less than 3	17
3 to 9	17
10 to 14	12
15 or more	54
	100
Hourly wage:	
$6 00 to $7 99	1
$8 00 to $9 99	72
$10 00 or more	27
	100
Full time/part time:	
Full time (35 hours/week or more)	100
Occupations:	
Manager/supervisor/professional/technicians	16
Clerical or office worker	3
Service worker	1
Skilled trades/crafts worker	8
Semiskilled equipment/machine operator	45
Unskilled labor	27
	100

Table IV.5: Vermont Participants' Initial Job Search Assistance Date Relative to Layoff

Assistance relative to layoff date	Percent	Percent
First received assistance before layoff:		88
Less than 7 days	32	
7 to 29 days	24	
More than 29 days	44	
	100	
First received assistance after layoff:		12
Less than 7 days	17	
7 to 29 days	26	
Between 30 and 59 days	13	
More than 59 days	44	
	100	**100**

Table IV.6: Occupations and Industries in Which Vermont Project Participants Found New Jobs

	Percent
Occupations	
Manager/supervisor	2
Technical (paraprofessional technician)	3
Sales worker	3
Clerical or office worker	10
Service worker	12
Skilled trades	17
Semiskilled equipment/machine operators	31
Unskilled labor	15
Self-employed	7
	100
Industries	
Manufacturing	32
Construction	7
Other goods producers	3
Retail trade	9
Transportation/public utilities	1
Finance/insurance/real estate	2
Professional services	9
Consumer/personal services	11
Self-employed (industry unknown)	4
State/local/federal government	6
Reemployed with site company	16
	100

Comments From the Department of Labor

U.S. DEPARTMENT OF LABOR

SECRETARY OF LABOR
WASHINGTON, D.C.

The Honorable Lawrence H. Thompson
Assistant Comptroller General
U.S. General Accounting Office
Washington, D.C. 20548

Dear Mr. Thompson:

This is in response to your recent letter requesting our views on the General Accounting Office's draft report to the House Committee on Education and Labor entitled Dislocated Workers: Labor-Management Committees Enhance Reemployment Assistance. The report spells out the generally successful experience of four states trying out the techniques of labor-management-neutral third party committees in addressing the needs of workers dislocated by plant closings and layoffs. This approach has been used successfully by Canada for over 25 years.

The study also supports favorable conclusions about the efficacy and adaptability of labor-management-neutral committees in this country that were reached independently by the House Education and Labor Committee, the Congressional Office of Technology Assessment, and Secretary William Brock's Task Force on Economic Adjustment and former Worker Dislocation in a Competitive Society. As you know, Congress endorsed the Canadian approach in the Economic Dislocation and Worker Adjustment Assistance Act of 1988 (EDWAA), which in part requires rapid response by State Dislocated Worker Units, and recommends they set up these committees to guide worker outplacement and retraining.

We concur with the report's findings concerning the seminal importance of strong leadership on the part of state officials in making labor-management-neutral committees an effective worker adjustment mechanism in the United States. The Bureau of Labor-Management Relations and Cooperative Programs (BLMRCP) has promoted this idea among the states from the beginning of its dislocated worker program, and has targeted most of its adjustment workshops and many of its technical assistance efforts over the years for state personnel, including those individuals involved in learning about and/or testing the Canadian approach.

You will be interested in knowing that since BLMRCP and the National Governors' Association first initiated this Canadian-

American Demonstration Project with six states and a target of 12 test sites, an additional seven states have joined in, many with funding from the Employment and Training Administration and the Secretary's Discretionary Fund. We now have a total of 13 states participating at 34 test sites. This development and your report's optimistic conclusions about the demonstration project are evidence that the Canadian approach to providing assistance to dislocated workers could work well on our side of the border.

Now on p. 11

The report makes reference in the Executive Summary and page two of the text to EDWAA which amended Title III of JTPA. Without questioning the validity of the findings of the report, there are some differences between the circumstances of the demonstration and program operations under EDWAA.

In the demonstration project, the Governors controlled Title III funds and had oversight for the entire project. They played the role of the Federal Government in Canada. Under EDWAA, as you know, 60 percent of the State Title III funds go to the local substate grantees which operate programs in the substate area. Rapid response and the establishment of labor management committees (LMCs) is clearly a State responsibility. Accordingly, one of the issues that must be addressed in EDWAA implementation is the relationship between statewide rapid response assistance, including the establishment of LMCs, and the delivery of readjustment and retraining services at the local level.

We would like to suggest that there be some recognition in the report of the differences between the demonstration project and the provisions of EDWAA under which the States, companies and unions will attempt to adapt the Canadian experience of using labor-management-neutral committees as the Congress recommends. This might be done in the text where EDWAA is mentioned or in a "GAO Observation" on this topic.

Please convey our thanks to all of your capable staff who were involved in carrying this study out, especially Robert T. Rogers and Barbara Moroski-Browne of your Detroit Regional Office.

Sincerely,

Elizabeth Dole

Elizabeth Dole

Major Contributors to This Report

Human Resources Division, Washington, D.C

William J. Gainer, Director, Education and Employment Issues, (202) 275-5365
Sigurd R. Nilsen, Assistant Director

Detroit Regional Office

Robert T. Rogers, Evaluator-in-Charge
Barbara A. Moroski-Browne, Site Senior
Sharon M. Jizmejian, Evaluator
Odell W. Bailey, Jr., Evaluator
Patricia L. Carlucci, Evaluator
Susan E. Valasco, Evaluator
Barbra A. Chiapella, Evaluator
Judith A. White, Computer Assistant

Bibliography

Abt Associates Inc. Serving the Dislocated Worker: A Report on the Dislocated Worker Demonstration Program. Prepared for the Employment and Training Administration, U.S. Department of Labor, Washington, DC, December 31, 1983.

Abt Associates of Canada. Evaluation Study of the Industrial Adjustment Service (IAS) Program: Final Report. Prepared for the Program Evaluation Branch, Employment and Immigration Canada, November 1984.

Bailis, Lawrence Neil. Study of the Status of PY 85 JTPA Coordination and PY84 JTPA Program Activities. Research Report Series: National Commission for Employment Policy, RR-87-26, May 1987.

Barth, Michael C., and Fritzie Reisner. Worker Adjustment to Plant Shutdowns and Mass Layoffs: An Analysis of Program Experience and Policy Options. Prepared for the National Alliance of Business, August 1981.

Batt, William L., Jr. "Special Report: Canada's Good Example with Displaced Workers." Harvard Business Review, July-August 1983.

Bednarzik, Robert W. "Facilitating Worker Adjustment: Canada's IAS Program." The Entrepreneurial Economy, May 1986.

Berenbeim, Ronald E. Company Programs to Ease the Impact of Shutdowns. Report #878. New York: The Conference Board, 1986.

Committee on Science, Engineering, and Public Policy. National Academy of Sciences. National Academy of Engineering. Institute of Medicine. Technology and Employment: Innovation and Growth in the U.S. Economy. Washington, DC: National Academy Press, 1987.

CSR Incorporated. Case Studies of Exemplary Dislocated Worker Programs. Prepared for the Division of Performance Management and Program Evaluation, Employment and Training Administration, U.S. Department of Labor, Washington, DC, January 1986.

Deere, Donald R., and Steven N. Wiggins. Plant Closings, Advance Notice, and Private Contractual Failure. Working Paper 88-39, Texas A&M University, Department of Economics, College Station, Texas, December 1988.

Employment and Immigration Canada. Canada Employment and Immigration Commission, Labour Market Services Branch. Industrial Adjustment Service Program.

Employment and Immigration Canada. The Industrial Adjustment Service: Answers for Employers and Workers. 1985.

Employment and Immigration Canada, Program Evaluation Branch, Strategic Policy Planning. The Impact of Canadian Placement Services on the Labour Market. April 7, 1982.

Federal Register. "Principles to Guide Implementation of the Economic Dislocation and Worker Adjustment Assistance Program." U.S. Department of Labor, Employment and Training Administration. Volume 53, page 34846. September 8, 1988.

Fedrau, Ruth H., and Kevin P. Balfe, A Case Study Monograph on Labor-Management Worker Adjustment Programs. Draft submitted to U.S. Department of Labor, Bureau of Labor-Management Relations and Cooperative Programs, December 10, 1987.

Hansen, Gary B., and Marion T. Bentley. Problems and Solutions in a Plant Shutdown: A Handbook for Community Involvement. Utah Center for Productivity and Quality of Working Life. Utah State University, Logan, Utah, November 1981.

Maron, Nancy C., PhD. The Private Industry Council as a System Integrator. Prepared for the U.S. Department of Labor, Employment and Training Administration, August 1987.

National Association of Manufacturers, Industrial Relations Department. When a Plant Closes: A Guide for Employers, Washington, DC, 1983.

National Center on Occupational Readjustment, Inc. Managing Plant Closings and Occupational Readjustment: An Employers Guidebook. Washington, DC, 1984.

National Commission for Employment Policy. Thirteenth Annual Report of the National Commission for Employment Policy. Report to the President and the Congress of the United States, Report No. 25, July 1988.

Newman, David G., Esq., and William Gardner, Esq. Business Closings and Worker Readjustment: The Canadian Approach. Prepared for the National Center for Occupational Readjustment, Inc., March 1987

Salzman, Jeffrey D. "The Canadian-American Plant Closing Demonstration Project" Compensation and Benefits Management. Volume 3, Number 4, Summer 1987.

SRI International, Center for Economic Competitiveness. Dislocated Workers: Innovative State Efforts to Address the Issue. Prepared for the State Commission on Employment and Human Resources, Hawaii Department of Labor and Industrial Relations, November 1987.

U.S. Congress. Office of Technology Assessment. Plant Closing: Advance Notice and Rapid Response, September 1986.

U.S. Congress. Office of Technology Assessment. Technology and Structural Unemployment: Reemploying Displaced Adults. February 1986.

U.S. Congressional Research Service. Economic Growth and Changing Labor Markets: Those Left Behind, December 13, 1983.

U.S. Department of Commerce, Bureau of the Census, County Business Patterns 1983 United States, September 1985.

U.S. Department of Labor, Bureau of Labor Statistics. BLS Reports on Worker Displacement (1983-1988). USDL 88-611, December 9, 1988.

U.S. Department of Labor, Bureau of Labor Statistics. Displaced Workers: 1979-1983. Bulletin 2240, July 1985.

U.S. Department of Labor, Bureau of Labor-Management Relations and Cooperative Programs. Plant Closing Checklist: A Guide to Best Practice. BLMR 107, 1988.

U.S. Department of Labor, Secretary's Task Force on Economic Adjustment and Worker Dislocation. Economic Adjustment and Worker Dislocation in a Competitive Society. Washington, DC: Secretary of Labor, Task Force, December 1986.

U.S. General Accounting Office. Dislocated Workers: Exemplary Local Projects Under the Job Training Partnership Act, GAO HRD-87-70BR, April 1987.

U.S. General Accounting Office. Dislocated Workers: Local Programs and Outcomes Under the Job Training Partnership Act, GAO/HRD-87-41, March 1987.

U.S. General Accounting Office. Plant Closings: Limited Advance Notice and Assistance Provided Dislocated Workers, GAO/HRD-87-105, July 1987.

Workforce Reduction Committees: A Labor/Management Approach. Joint Publication of the U.S. Department of Labor-Region I, the State of Vermont, and the National Alliance of Business, 1988.

BLANK PAGE

BLANK PAGE

BLANK PAGE

Related GAO Products

Employment Service: Variation in Local Office Performance (GAO/HRD-89-116BR, Aug. 3, 1989).

Job Training Partnership Act: Services and Outcomes for Participants with Differing Needs (GAO HRD-89-52, June 9, 1989).

Plant Closings: Limited Advance Notice and Assistance Provided Dislocated Workers (GAO HRD-87-105, July 17, 1987).

Dislocated Workers: Exemplary Local Projects Under the Job Training Partnership Act (GAO HRD-87-70BR, April 8, 1987).

Dislocated Workers: Local Programs and Outcomes Under the Job Training Partnership Act (GAO HRD-87-41, Mar. 5, 1987).

Dislocated Workers: Extent of Business Closures, Layoffs, and the Public and Private Response (GAO HRD-86-116BR, July 1, 1986).

Requests for copies of GAO reports should be sent to:

U.S. General Accounting Office
Post Office Box 6015
Gaithersburg, Maryland 20877

Telephone 202-275-6241

The first five copies of each report are free. Additional copies are $2.00 each.

There is a 25% discount on orders for 100 or more copies mailed to a single address.

Orders must be prepaid by cash or by check or money order made out to the Superintendent of Documents.